

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In re Application TC-061847 of	)	DOCKET TC-061847
	)	
ROMAN SOLUTIONS LLC d/b/a	)	ORDER 02
ROCKET TRANSPORTATION	)	
	)	INITIAL ORDER
for a Certificate of Public Convenience	)	ACCEPTING STIPULATION
and Necessity to Operate Motor Vehicles	)	AND AUTHORIZING ISSUANCE
in Furnishing Passenger and Express	)	OF AUTO TRANSPORTATION
Service as an Auto Transportation	)	(BUS) CERTIFICATE OF
Company.	)	PUBLIC CONVENIENCE AND
	)	NECESSITY
.....	)	

1 **SYNOPSIS.** *This is an Administrative Law Judge’s Initial Order that is not effective unless approved by the Commission or allowed to become effective pursuant to the Notice at the end of this Order. If this Initial Order becomes final, the Commission accepts the parties’ stipulation and grants the application of Roman Solutions LLC d/b/a Rocket Transportation to provide door-to-door by reservation-only passenger transportation services to and from Jefferson and Clallam counties with service to Sea-Tac Airport, and various points in King, Pierce, and Kitsap counties, consistent with the terms of the stipulation.*

**SUMMARY OF PROCEEDING**

2 **NATURE OF PROCEEDING.** Docket TC-061847 involves an application by Roman Solutions LLC, d/b/a Rocket Transportation (Rocket Transportation), for an auto transportation, or bus, certificate of public convenience and necessity to provide door-to-door, by reservation-only service between Clallam and Jefferson Counties and points in Kitsap County, Tacoma, and Seattle, including: Seattle and Tacoma Amtrak stations, Seattle and Tacoma Greyhound bus terminals, Seattle and Tacoma hospitals, Seattle waterfront cruise ship piers, Seattle-Tacoma International Airport (Sea-Tac Airport), and various hotels along the route.

- 3 **PROCEDURAL HISTORY.** On December 6, 2006, Rocket Transportation filed its application for a certificate of public convenience and necessity, as noted above. The Commission published notice of the Application in its weekly Docket of March 2, 2007.
- 4 On March 12, 2007, Evergreen Trails, Inc., d/b/a Gray Line of Seattle (Gray Line) filed a protest to the application. On March 16, 2007, Bremerton-Kitsap Airporter, Inc. (B-K Airporter), and Heckman Motors, Inc., d/b/a Olympic Bus Lines (Olympic Bus Lines), also filed protests to the application. On March 30, 2007, Pacific Northwest Transportation Services, Inc., d/b/a Capital Airporter / Airport Shuttle (Capital Airporter) filed a protest to the application.
- 5 At a prehearing conference held on June 1, 2007, before Administrative Law Judge (ALJ) Adam E. Torem, the Applicant explained that voluntary modifications to the terms of its application had resolved the protests filed by Gray Line, B-K Airporter, Inc., and Capital Airporter. The Applicant and Olympic Bus Lines agreed to continue settlement negotiations but requested that a hearing be scheduled on the application.
- 6 On July 6, the Applicant jointly filed a stipulation with all four protestants, together with a memorandum in support of a full settlement of the protests of the application.
- 7 On due and proper notice, the Commission convened a hearing on July 11, in Olympia, Washington, before ALJ Torem. The Applicant presented the terms of the stipulation reached with the protestants. The Applicant also presented evidence of its knowledge, experience, and fitness to provide the services as well as independent witnesses testifying to the public need for the services. Finally, the Applicant offered evidence demonstrating that public convenience and necessity require issuance of the requested bus certificate. Commission Staff concurred in the stipulation and recommended granting the authority sought by the Applicant, subject to the filing of a pro forma financial statement and a ridership and revenue forecast for the first twelve months of operation.

8 **PARTY REPRESENTATIVES.** Andrew W. Steen, Lane Powell, PC, Seattle, Washington, represents the applicant Rocket Transportation. David L. Rice, Miller Nash, LLP, Seattle, Washington, represents Evergreen Trails, Inc., d/b/a Gray Line of Seattle (Gray Line). Richard E. Asche, President, Bremerton-Kitsap Airporter, Inc. (B-K Airporter), Port Orchard, Washington, appeared *pro se* on behalf of B-K Airporter. James K. Sells, Ryan Sells Uptegraft, Inc., P.S., Silverdale, Washington, represents Heckman Motors, Inc., d/b/a Olympic Bus Lines (Olympic Bus Lines), Port Angeles, Washington; Jack Heckman, President, also appeared on behalf of Olympic. James N. Fricke, President, appeared *pro se* on behalf of Pacific Northwest Transportation Services, Inc., d/b/a Capital Aeroporter / Airport Shuttle (Capital Aeroporter), Olympia, Washington. Michael Fassio, Assistant Attorney General, Olympia, Washington, represents Commission Staff.

9 **INITIAL ORDER.** Finding that the Applicant has satisfied the criteria for accepting settlement agreements under WAC 480-07-740 and the statutory criteria for granting a certificate of public convenience and necessity under RCW 81.68.040 and the provisions of WAC 480-30-096, WAC 480-30-126 and WAC 480-30-136, this Order recommends the Commission accept the stipulation of the parties and grant the application of Roman Solutions, LLC, d/b/a Rocket Transportation, to provide door-to-door, by reservation-only passenger service between Clallam and Jefferson Counties and points in Kitsap County, Tacoma, and Seattle, Washington. Before the Commission issues a bus certificate to Rocket Transportation, the company must file all required documentation with the Commission and work with Commission Staff to file a Form "E" Certificate of Insurance.

## MEMORANDUM

### **I. Governing Law**

10 The Commission regulates auto transportation companies furnishing passenger and express service under RCW 81.68. Under RCW 81.68.040, no auto transportation company may operate carrying persons, baggage, or mail for compensation between fixed termini or over a regular route within the state without first having obtained from the Commission a certificate declaring that public convenience and necessity require such operation. Where other companies provide service along the same route as that requested by the applicant, the Commission evaluates the public convenience

and necessity of the application by considering whether existing auto transportation companies will not provide the same service to the satisfaction of the Commission.

- 11 The Commission has adopted standards in WAC 480-30 for use in deciding whether, or under what conditions, to issue a certificate. When existing auto transportation companies do not object, as in this case, the Commission evaluates the application for the knowledge, experience, and resources required to provide the service, as well as the fitness and willingness of the applicant to comply with state law and regulation. *WAC 480-30-126.*
- 12 In order to demonstrate both financial and operational fitness, an application must contain, among other things, a listing of assets and liabilities, a ridership and revenue forecast for the first year of operation, a pro forma balance sheet and income statement for the first year of operation and a list of equipment to be used in providing the proposed service. *WAC 480-30-096(3).*
- 13 The Commission determines public need for the proposed service through the testimony of people who will use the proposed service if it is made available as well as through the testimony of the Applicant's personnel. *WAC 480-30-136(g).*

## **II. Settlement Agreement – Resolution of Protests from Existing Companies**

- 14 Rocket Transportation filed its application on December 6, 2006, to provide door-to-door, by reservation-only service between Clallam and Jefferson Counties and points in Kitsap County, Tacoma, and Seattle, including: Seattle and Tacoma Amtrak stations, Seattle and Tacoma Greyhound bus terminals, Seattle and Tacoma hospitals, Seattle waterfront cruise ship piers, Sea-Tac Airport, and various hotels along the route. *See Exhibit 1.* Four existing auto transportation companies timely filed protests to Rocket Transportation's application.
- 15 Gray Line protested Rocket Transportation's proposed route but noted that its objections could likely be resolved through a restrictive amendment to the application clarifying that Rocket Transportation would not provide service between Seattle and Sea-Tac Airport. Rocket Transportation promptly agreed to such an amendment.

- 16 B-K Airporter protested Rocket Transportation's characterization of its proposed service as "door-to-door" when it appeared to be a scheduled, fixed-route service, akin to that already being provided by B-K Airporter in Kitsap and Pierce Counties. Even so, B-K Airporter indicated its objections would be dropped if Rocket Transportation agreed to "closed door" service between Kitsap County and Sea-Tac Airport. Rocket Transportation promptly agreed to this restriction on its proposed service.
- 17 Capital Aeroporter protested Rocket Transportation's proposed service as duplicative of its own and raised again each of the points contained in the protest filed by Olympic Bus Lines. However, discussions with Rocket Transportation clarified the intent of the application and, at the June 1 prehearing conference, Capital Aeroporter indicated that it would be entering a settlement with the Applicant.
- 18 Olympic Bus Lines protested Rocket Transportation's proposed service as duplicative of its own, questioned the need for additional service, and argued that granting the application would not be in the public interest. Further, Olympic Bus Lines contended that Rocket Transportation was not fit, willing or able to provide the requested service.
- 19 Rocket Transportation and Olympic Bus Lines conducted settlement discussions in June and reached a mutual accord resolving all of Olympic Bus Lines' grounds for protesting the application. In particular, Rocket Transportation agreed to modify its application to "on demand, door-to-door service by reservation-only."
- 20 On July 6, the Applicant and each of the protestants jointly filed a stipulation that memorialized the agreements reached with each protestant. Rocket Transportation agrees in the stipulation to revise its application in accordance with the individual agreements reached with each of the protestants by defining the limitations of its passenger services and describing its service route. In particular, Rocket Transportation agrees to offer "[o]n demand, door-to-door service by reservation-only," and that "[a]ll passengers must have either their origin or destination in Jefferson or Clallam counties." *Stipulation*, ¶ 3. Each of the protestants signed the Stipulation, agreeing to formally withdraw their objections and protests so long as the Commission accepted the revisions to the application.

21 On July 11, each protestant appeared at a hearing on this matter and confirmed the terms of the stipulation and agreed that the parties had reached a full settlement in accordance with WAC 480-07-730(1). Rocket Transportation appeared and offered a narrative explanation of the terms and scope of the settlement. The stipulation is attached as Appendix A and adopted into this Order by this reference.

22 **Decision.** Rocket Transportation has successfully resolved all of the objections raised by the four protestants in this matter. The stipulation filed on July 6 and jointly presented on July 11 meets the requirements of the Commission's rules on settlements. *WAC 480-07-740(2)*.

23 The Commission supports parties' efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest. *WAC 40-07-700*. Further, the Commission approves settlements when lawful, when the terms of the settlement are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the Commission. *WAC 480-07-750(1)*.

24 Here, the complete resolution of all protests permits the Commission to accept the settlement and proceed to consideration of issuance of a certificate of public convenience and necessity under RCW 81.68.040. The memorandum and testimony in the hearing support the terms of the stipulation. In addition, acceptance of this full settlement is consistent with the public interest because addition of this service will provide additional options for regional travelers and meet unserved needs of the traveling public, particularly those from rural regions of the state.

25 Upon consideration of the stipulation and the entire record in this matter, the Commission, in accordance with WAC 480-07-750(2), accepts the proposed settlement without conditions.

### **III. Rocket Transportation's Application and Supporting Evidence.**

26 Rocket Transportation is a limited liability corporation whose members or partners are David Pedersen, Rafael Roman, and Kathy Roman. The application contains a complete description of the proposed service, including the route and service territory,

maps of the proposed route and service territory, a statement of assets and liabilities, a proposed tariff and time schedule, a statement of conditions to justify the proposed service, a list of equipment to be used in providing the proposed service, and a statement of the applicant's prior experience and familiarity with the statutes and rules governing the proposed operations. *See Exh. 1.*

27 During the July 11 hearing, Rocket Transportation presented one witness to address its operational and financial fitness: Ms. Kathy Roman, one of its principal members. Also at hearing, Rocket Transportation provided the required pro forma balance sheet and income statement for the first year of operation as well as ridership and revenue forecasts for that same period of time. *See Exh. 4 and 5.*

28 Rocket Transportation also presented a number of witnesses at the hearing to support the need for the proposed service and to demonstrate that there are customers willing to use the proposed service. In addition, Rocket Transportation introduced several exhibits to support the need for the proposed services. *See Exh. 3, 7, and 8.*

29 Commission Staff introduced the declaration of Penny Ingram, a regulatory analyst in the Commission's Water and Transportation Section, in support of the Stipulation and granting the application. *See Exh. 6.*

30 No other party presented witnesses or evidence concerning the application.

**A. Need for the Proposed Service**

31 Ms. Kathy Roman testified that Rocket Transportation has been operating for approximately two years to provide transportation services under contract with various government agencies, under for-hire certificates, and under an existing charter and excursion service certificate. During this time, Ms. Roman and her partners have determined that the Olympic Peninsula area is underserved for transit services, particularly for services between Clallam and Jefferson Counties and the Seattle and Tacoma metropolitan areas.

32 A Washington State Intercity Bus Service Study (Study) prepared for the Washington State Department of Transportation in June 2007 indicates that the cities of Sequim and Port Angeles have population blocks with high and/or moderate transit needs. In

particular, these cities have high populations of elderly residents, disabled residents, and citizens below the poverty line. The Study concludes that significant gaps generally exist in rural-to-urban transportation facilities, including the areas in which Rocket Transportation proposes to offer its services. *See Exh. 3, at 4-8 to 4-10, 4-24 and 4-40.*

33 The following witnesses testified for Rocket Transportation concerning the need for and the benefits of the proposed service: Mr. Damian Humphreys, sales manager of the Quality Inn, Sequim, Washington; Mr. Brooks Barnett, direct care supervisor for Visiting Angels (in-home care service for aged and disabled clients), Sequim, Washington; Ms. Margaret Witt, Sequim-Seattle commuter; and Ms. Mindi Blanchard, President, Bridge Builders, Ltd. (facilitators for clients with handicaps and/or medical crises needing assistance with personal needs and access to community resources), Sequim, Washington.

34 Each of these witnesses testified to the need for a service to transport elderly and disabled clients from cities on the Olympic Peninsula, particularly Sequim and Port Angeles, to the Seattle area for medical appointments. All agreed that for clients not receiving Medicaid benefits, existing transportation options (*i.e.*, taxi) were very expensive and logistically difficult (*i.e.*, paratransit). These witnesses also testified that they would use the proposed service and pay the fares proposed by the Applicant to travel directly to and from Seattle and their various appointments.

35 Mr. Humphreys, Mr. Barnett, and Ms. Blanchard all explained the efforts of their organizations and others to promote transit alternatives in the area and the potential benefits to the local economy if Rocket Transportation's application was granted.

36 The testimony of Rocket Transportation's community and commute witnesses demonstrates a substantial present and future unmet need and a strong desire for door-to-door, by reservation-only service between Clallam and Jefferson Counties and the Seattle and Tacoma metropolitan areas, including Sea-Tac Airport. The proposed service would supplement the current offerings available to Medicaid clients and provide an alternative to the current transportation services offered between the Olympic Peninsula and Seattle. In addition, the proposed service would save time



and money for a number of commuters living in Sequim and Port Angeles and support economic development in these cities and their surrounding rural areas.

**B. Financial Fitness**

- 37 Rocket Transportation submitted a statement of assets and liabilities in the form of a summary balance sheet as part of its application. *Exh. 1*. During the hearing, Ms. Roman clarified the list of vehicles owned by the corporation and ready for use in providing the proposed service. *Exh. 1 at 17*. During the hearing, Rocket Transportation also submitted a *pro forma* income statement for year one (Ex. 4) and ridership and revenue forecasts for year one. *Exh. 5*.
- 38 Rocket Transportation's summary balance sheet showed assets and liabilities of \$19,000.45, which included six sedans, one mini-van, and one multi-passenger van. Since the filing of the application, one sedan has been replaced in the fleet with another van, this one equipped with a wheelchair lift. *See TR 45-47 (Roman)*. The company has adequate insurance in place for each of its vehicles and drivers. Further, the company has an appropriate maintenance plan in place for its fleet of vehicles. *See TR 67-69 (Roman)*.
- 39 Ms. Roman's testimony concerning the assets of the company and the revenue projections indicates that the company has sufficient assets to operate for at least the first year. *See TR 45-62 (Roman)*.
- 40 Rocket Transportation's *pro forma* income statements project that the company's operations will be profitable in the first year. The company projects revenues from fares to be \$438,000 for the first year, a figure based on 12 daily fares at an average price of \$100/trip. *See Exh. 4; see also TR 48-60 (Roman) and Exh. 5*.
- 41 Ms. Roman noted that the Applicant's calculations are projections, based upon the partners' previous and ongoing experience in operating passenger service. Until operations begin, Rocket Transportation will not know whether these projections are realistic. *See TR 67-70 (Roman)*. However, the witness testimony supports the level of proposed fares and projected ridership levels.

42 The evidence available in the record indicates that Rocket Transportation is financially fit to operate for at least a twelve month period.

**C. Operational Fitness**

43 Rocket Transportation plans to use three or four vehicles that it already owns to establish its new service and then lease or purchase three or four new vans to replace those in its fleet. *See TR 46-48 (Roman)*. The three partners have significant experience in operating passenger transportation services in Sequim and Port Angeles. *See TR 41-44, 60-62 (Roman)*. The Applicant has developed a proposed tariff and time schedule as well as a staffing plan for drivers. *See TR 45-46 (Roman)*. The Applicant is familiar with Commission rules and regulations, including WAC 480-30. *See TR 62 (Roman)*.

44 The testimony and evidence show that the Applicant, Rocket Transportation, is operationally ready, willing, and able to provide the proposed service, and plans to comply with all applicable laws and rules.

**D. Absence of Objection from Existing Transportation Companies**

45 As noted above, four transportation companies filed objections to the original application. However, each protestant has resolved its differences with Rocket Transportation and entered into a Stipulation attesting to the mutually agreed modifications to the application. *See Exh. 2*.

46 Given the Stipulation and the consequent full settlement, the Applicant has met the requirements of RCW 81.68.040 and WAC 480-30-126(5).

**E. Discussion and Decision**

47 Taking into consideration all of the evidence and testimony provided by the Applicant and the comments of supporting members of the public, the Commission finds that Rocket Transportation has met the statutory requirements for a certificate of public convenience and necessity for an auto transportation company.

- 48 There is a substantial need for the proposed door-to-door by reservation-only passenger service between Jefferson and Clallam Counties and the Seattle and Tacoma metropolitan areas, and an expressed desire by the public for such a service. It appears that Rocket Transportation has the financial resources to operate the proposed service for at least twelve months. As required by RCW 81.68.040 and WAC 480-30-096, Rocket Transportation has provided sufficient information as to the cost of the proposed service and a statement of its total assets on hand. Rocket Transportation has demonstrated that it has substantial experience in operating similar passenger service in the proposed service area and is fit, willing, and able to provide the service.
- 49 The terms of the full settlement and its supporting Stipulation are accepted and shall be incorporated into any certificate granted to the Applicant.
- 50 Based on the above findings, we grant Rocket Transportation's request for a certificate of public convenience and necessity to provide service as an auto transportation company on condition that the company submit to the Commission the necessary documents, i.e., tariffs, time schedules, and a Form "E" Certificate of Insurance.

### **FINDINGS OF FACT**

Having discussed above in detail the evidence received in this proceeding concerning all matters material, and having stated findings and conclusions upon issues in dispute among the parties and the reasons therefore, the Commission now makes and enters the following summary of those facts, incorporating by reference pertinent portions of the preceding detailed findings:

- 51 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including auto transportation companies.

- 52 (2) On December 6, 2006, Roman Solutions, LLC, d/b/a Rocket Transportation, filed an application (No. 0003216) for a certificate of public convenience and necessity to provide door-to-door passenger service by reservation-only to and from Jefferson and Clallam Counties, serving points in Kitsap County, Seattle and Tacoma Amtrak stations, Seattle and Tacoma Greyhound bus terminals, Seattle and Tacoma hospitals, Seattle waterfront cruise ship piers, Sea-Tac Airport, and hotels along the route.
- 53 (3) No existing auto transportation companies object to the granting of a new certificate for the proposed service, subject to stipulated modifications to the application.
- 54 (4) There is a strong unmet need for the proposed service between Jefferson and Clallam Counties and the Seattle and Tacoma metropolitan areas.
- 55 (5) Rocket Transportation has demonstrated sufficient financial resources to operate the proposed service for at least twelve months, and has submitted the required information concerning revenue and ridership forecasts, cost of operations and assets, and assets on hand.
- 56 (6) Rocket Transportation is operationally and financially fit to provide the proposed service.

**CONCLUSIONS OF LAW**

57 Having discussed above all matters material to our decision, and having stated detailed findings and conclusions, and the reasons therefore, the Commission now makes the following summary conclusions of law, incorporating by reference pertinent portions of the preceding detailed conclusions:

- 58 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and parties to, these proceedings. *Title 81 RCW.*

- 59 (2) The parties' stipulation is supported by the evidence of record, consistent with state laws and rules and is in the public interest. *WAC 480-07-750.*
- 60 (3) The Applicant, Rocket Transportation, has met all statutory requirements for issuing a certificate of public convenience and necessity, including the requirement that the public convenience and necessity require the service proposed in the application. *RCW 81.68.040.*
- 61 (4) The Commission should retain jurisdiction to effectuate the terms of this Order. *Title 81 RCW.*

**ORDER**

**THE COMMISSION ORDERS:**

- 62 (1) The Stipulation entered into between Roman Solutions, LLC, d/b/a Rocket Transportation, Evergreen Trails, Inc., d/b/a Gray Line of Seattle, Bremerton-Kitsap Airporter, Inc., Heckman Motors, Inc., d/b/a Olympic Bus Lines, and Pacific Northwest Transportation Services, Inc., d/b/a Capital Airporter / Airport Shuttle, attached as Appendix A and adopted into this Order by this reference, is accepted.
- 63 (2) Application No. 0003216 of Roman Solutions, LLC, d/b/a Rocket Transportation for a certificate of public convenience and necessity to operate as an auto transportation company providing door-to-door passenger service by reservation-only to and from Jefferson and Clallam Counties, serving points in Kitsap County, Seattle and Tacoma Amtrak stations, Seattle and Tacoma Greyhound bus terminals, Seattle and Tacoma hospitals, Seattle waterfront cruise ship piers, Sea-Tac Airport, and hotels along the route is granted, subject to the terms of the parties' full settlement agreement and stipulation.

- 64 (3) Before the Commission issues an auto transportation certificate to Rocket Transportation, the company must work with Commission Staff to ensure that all required documentation has been filed with the Commission, including tariffs, time schedules, and a Form “E” Certificate of Insurance.

Dated at Olympia, Washington, and effective August 9, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ADAM E. TOREM  
Administrative Law Judge

### NOTICE TO THE PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an *Answer* to a Petition for review within (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition To Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission does not exercise administrative review on its own motion. You will be notified if this order becomes final.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An original and eight copies of any Petition or Answer must be filed by mail delivery to:

Attn: Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

# **APPENDIX A**