

December 29, 2014

VIA WEB PORTAL

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. TC-143691, List of Statements of Objector Pacific Northwest Transportation Services, Inc.

Dear Mr. King:

Pacific Northwest Transportation Services, Inc. d/b/a Capital Aeroporter (“Capital”), Objector, is submitting this letter and the list below of the statements for consideration at the Brief Adjudicative Proceeding in Docket TC-143691. As directed in the Notice, the statements themselves are also attached. Further, to the Notice, this filing is being made via the Web Portal and in person to WUTC in accordance with WAC 480-07-140 and – 145.

The attached statements being submitted are as follows:

Number	Date	Name	Type
CA-1	12/29/14	Stacy Mattson	Airport Manager
CA-2	12/26/14	Ray Mundy	Transportation Expert
CA-3	12/26/14	Ray Mundy	Transportation Expert
CA-4	11/20/14	Crystal Flaten	Passenger
CA-5	11/29/14	Rita McCaffrey	Passenger

In addition to the written statements, Capital will offer oral statements of James Fricke and John Fricke, the President-SEO and Vice President-Operations, respectively, of Capital. Mr. James Fricke and Mr. John Fricke will offer testimony regarding the history, operations, services, and territories of Capital relating to its provision of the exact same services in the same subarea territory as proposed in the Application of Speedishuttle to the satisfaction of the Commission. Capital may also offer oral statements/testimony by telephone of such independent witnesses as may be available on the day of the hearing to address the satisfactory nature of Capital’s auto transportation services.

Further, Capital Aeroporter will offer additional documentary evidence hearing by way of exhibit and/or official notice, as follows:

1. WUTC Permit C-862.
2. Pacific Northwest Transportation Services, Inc. Tariff No. 4.

All of the foregoing documents are on file with the Commission. Copies will be made available at the hearing as required.

Regards,

A handwritten signature in black ink, appearing to read "John E. Fricke". The signature is stylized and somewhat cursive.

John E. Fricke
VP-Operations, Capital Aeroporter

cc: ALJ Rayne Pearson (email and Web Portal)
Mr. Michael A. Fassio (email)
Mr. Julian Beattie (email)
Mr. David W. Wiley (email)
Mr. Brooks E. Harlow (email)

To: John Fricke
Subject: FW: WUTC Docket 143691

From: Mattson, Stacy [<mailto:Mattson.S@portseattle.org>]
Sent: Monday, December 29, 2014 8:59 AM
To: John Fricke
Cc: jimf@capair.com
Subject: WUTC Docket 143691

Based on my experience as the Manager, Landside Operations at Seattle-Tacoma International Airport, I believe the following to be correct:

- (i) Capital Aeroporter holds authority to provide, and provides door-to-door service in Auburn, Federal Way, Kent, Renton and Tukwila ;
- (ii) Capital Aeroporter has made a reasonable effort to expand and improve its service to consumers within the same territory;
- (iii) Capital Aeroporter provides the service in a manner that is convenient, safe, timely, direct, frequent, expeditious, courteous and respectful, meets the advertised or posted schedules, fulfills commitments made to customers, meets consumer preferences or needs for travel, is responsive to consumer requests by reviewing the company's tariff and certificate in response to requests and when reasonable, proposing changes to the commission, and meets other reasonable performance expectations of consumers;
- (iv) Capital Aeroporter has provided door-to-door service in Auburn, Federal Way, Kent, Renton and Tukwila with reasonable fares.

Stacy Mattson
Manager, Airport Landside Operations
(206) 787-5176



at the UM-SL Center for Transportation Studies
 (Corporate) One University Blvd. • 240 JC Penney Bldg, North • St. Louis, MO 63121
 (Mailing) 1538 W. Powell Rd. • Powell, OH 43065-9751
 Telephone (314) 753-3432 FAX (314) 516-7272 Web Site www.agtaweb.org E-mail: admin@agtaweb.org

December 26, 2014

Washington State Legislature

Re: WAC 480-30-140/Standards for determining "public convenience and necessity,"
 "same service," and "service to the satisfaction of the commission."

To whom it may concern:

It is my understanding that the State of Washington has revised its public policy with regard to operation authority for the provision of shared ride airport service within the State. Generally speaking, it appears that the State has recently reduced the application process from an applicant having to prove need and necessity to one of having only to show that the public interest would be served, should they be granted operating authority. As a result of this action, I felt compelled to provide information about the general history of shared ride service to airports when entry into this market is granted to multiple providers.

By way of background, let me provide my qualifications for responding to this question. I am a Professor of Transportation and have been the Director of the Center for Transportation Studies at the University of Missouri-St. Louis for the past fifteen years. Within the past several decades, I have performed more than two-dozen ground transportation studies for cities and airports, providing me with the opportunity to work with many regulatory officials. More specific to your issue would be my service as Executive Director of the Airport Ground Transportation Association (AGTA), a position I've held since 1976. In this capacity, we have conducted many seminars and discussions about shared ride van and bus services and the need for appropriate regulations of this service if it is to be successful in providing efficient and effective public transportation service to airport users. A copy of my vita is attached.

Over the years, most states have deregulated bus and van services through liberalization of operation authorities with the result being a general trend away from scheduled bus services to more door-to-door prearranged shared ride van services. To be sure, many good scheduled bus services still provide excellent airport service in North America, but the concept of utilizing a shared ride van has become the dominant shared ride airport service available to airport users today. The ability to provide door-to-door service at fares significantly lower than a taxi or limo service is often cited as its major advantage over fixed route/scheduled service.

The concept of shared ride service is relatively simple. Instead of running on a fixed schedule and route, shared ride services depend upon their ability to group pre-booked riders in advance -- preferable living in similar areas or along a corridor leading to or from the major airport being served. The shared ride operator can then route a specific pickup schedule for each of the pre-arranged passengers to the airport and then back again to their origin by knowing when the passenger's return flight is scheduled to land.

Shared ride van services are often the current offerings of former fixed route airport bus services. The largest example of this might be the Continental Air Transport service that served the City of Chicago as the single authorized airport bus service for many years. Lacking the density and customer demand for the transitional bus service, this line haul bus operation authority from the State of Illinois was converted to a shared ride van service (now GO Airport Express) that could operate more often and offer fewer stops before reaching a customer's destination. Airport officials are pleased to have such shared ride van services because these vehicles and their services mean less traffic and harmful emissions for their landside operations. Additionally, they provide the airport user with a less expensive option than a taxi, limousine, or car rental option.

In today's market, an airport shared ride van service must be able to generate sufficient density along the corridor or area(s) they serve in order to operate effectively and profitably. In a city like Chicago, where there is only one authorized carrier providing this service, density is achieved and consumers enjoy frequent airport service at a fraction of the cost of a taxi or private car service.

In areas where there is no restriction on operating authority for the shared ride van industry, however, the typical result has been airport curbside confusion as multiple vans attempt to provide service. Many complaints regarding these services have forced numerous airports to step in with regulations of their own limiting the number of shared ride van operators that may serve the airport. Sometimes this is done by limiting the number of operators that may have a booth within the airport, or alternatively by a concession agreement with only one or a few operators. In cases where the shared ride operator is servicing a distant city, the trend has been to provide only a single booth or concession agreement. In such situations, the airport is acting in place of state regulations on the entry and fare levels permitted by the authorized carrier. Other shared ride carriers are permitted to pick up and drop off, but only the authorized carrier is permitted to have a counter, stage, and operate from the premium curb space.

Regarding the general trends in airport shared ride van service, there is a common movement for airports to move into a regulatory vacuum when states grant open entry to this category of airport ground transportation. Airport officials, citing curbside congestion and service issues when multiple shared ride van operators attempt to serve the airport have been forced to create concession agreements to limit the number of providers in the name of the public interest. That is, these officials believe it is in the best interest of the airline traveling public for these services to exist with sufficient density to provide the efficiency and effectiveness required by the very nature of these operations. Without the ability to aggregate their passengers, these operations would not be able to exist.

History and economics both tell us that when an oversupply of providers or multiple providers enter the shared ride, door to door airport van service market, fares go up, not down. This is due to the lack of density (riders) that each carrier now has in the marketplace. Fewer riders translates into less density, and therefore, less revenue per trip, so the fare per person per trip historically goes up when additional competition is introduced in this marketplace. This is especially true when fares are controlled by a regulatory body. Each affected carrier would petition for higher fares and could prove that their fare per person was not sufficient to cover their business costs. Hence, the regulatory body would be inclined to grant a fare increase based on the carrier's increased cost of operation relative to revenues.

Thus, if a state decides to open this service to any operator that merely states that the public interest will be served by their presence in the marketplace, as seen, the history of these operations at North American airports would suggest otherwise. If a state relinquishes the responsibility to set operating standards, service offerings, fare structure, etc, it can be suggested that there would be an oversupply of lower cost structure, independent contractor drivers vying for passengers. An unintended result would be an inability to achieve the density necessary for efficient and effective operations, thereby resulting in poor service levels. These results from an oversupply of the market would surely neither be in the public's interest nor the airport's. Higher fares, more vehicles on the airport roadways, numerous service complaints, and user confusion are the typical results from inattention to supply and demand in the airport shared ride van industry. The airport being served in this situation would probably move to limit the number of providers to a single or few operators by region or areas served.

Hopefully, this review addresses some of the questions regarding the probable effects of significantly increasing the number of shared ride van operators permitted at an airport.

Regards,



Ray A. Mundy, Ph.D.
Executive Director, AGTA

RAM/sm

Ray A. Mundy, Ph.D., M.B.A.
Director, Center for Transportation Studies
University of Missouri-St. Louis
One University Blvd, 240 JC Penney North
St. Louis, MO 63121-4499
(314) 22507039
rmundy@umsl.edu

Director of the Center for Transportation Studies and Barriger Endowed Professor of Transportation and Logistics at the University of Missouri-St. Louis since January 2000, Dr. Mundy currently teaches courses in Domestic Transportation and Supply Chain Management. He has authored numerous ground transportation industry reports through his positions as the Executive Director of the Airport Ground Transportation Association and Director of the Tennessee Transportation & Logistics Foundation (TTLF). Dr. Mundy is an active lecturer at national transportation and logistics seminars, and is a frequent contributor of articles to trade publications and journals.

As Executive Director of AGTA, Dr. Mundy organizes and holds two meetings per year for airports and their ground transportation companies. A portion of each of these meetings is dedicated to shared ride van services, including but not limited to such topics as regulation, concession agreements, fees and fares, employment practices, evaluation, and airport curbside management. All presentations, fees and fares, and other data are now maintained on-line for members of the association. Finally, Dr. Mundy produces a quarterly news letter for the airport ground transportation industry – a portion of which is always dedicated to shared ride ground transportation.

Dr. Mundy has been a consultant to both the public and private sector, including engagements with numerous U.S. and Canadian cities and airports and their ground transportation companies, the U.S. Department of Transportation, the World Bank, CSX, and Burlington Northern Railroad, the Coca-Cola Company, EDS, Ryder Inc., and the Toyota Motor Company of North America, among others. He has performed over 30 research and consultation studies concerning North American ground transportation operations and their regulation. His latest regulatory studies include cities such as Miami, Florida, Denver, Colorado, Salt Lake City, Utah, San Antonio and Austin Texas, as well as Winnipeg, Regina, and Saskatoon Canada.

Dr. Mundy has completed a series of texts for the transportation industry centered on process flow analysis and statistical process control. His latest book, *Taxi! Urban Economies and the Social and Transport Impacts of the Taxicab* was released in January, 2010 with James Cooper, Napier University, UK, and John Nelson, University of Aberdeen, UK.

Dr. Mundy holds a B.A. and an M.B.A. from Bowling Green State University, and a Ph.D. in Business Administration from Pennsylvania State University.

(January, 2014)

From: customerservice@capair.com
Sent: Thursday, November 20, 2014 6:43 AM
To: John Fricke
Subject: Fw: Information Request

Oscar E. Bailey II
Customer Service Agent
360-754-7113 Ext 103
1-800-962-3579
www.capair.com

From: crystal.flaten@gmail.com
Sent: Wednesday, November 19, 2014 5:53 PM
To: customerservice@capair.com
Subject: Information Request

Name: Crystal

Email: crystal.flaten@gmail.com

Phone: 3607894868

Message: Hello, I have used your shuttle service over a dozen times this year traveling for work. The trip this week is the last one this year, so I wanted to take the time to send you a quick note to say Thank You and wish you all Happy Holidays. The drivers, call center staff, and desk staff at SeaTac were all understanding and patient, even when I was exhausted from traveling and not in the best mood. I am also very thankful that Capital Air has a staffed counter at SeaTac, even at night, becuase I have watched countless confused and frustrated people trying to find out about the other shuttle services that do not have staff to help them and I am always very glad I have never had to deal with that. Anyway, Happy Holidays and I look forward to riding with you next year.

John Fricke

To: Capital Aeroporter Customer Service
Subject: FW: Capital Aeroporter Reservation number: 752214

From: [Rita McCaffrey](#)
Sent: Saturday, November 29, 2014 8:27 AM
To: [Capital Aeroporter Airport Shuttle](#)
Subject: Re: Capital Aeroporter Reservation number: 752214

Thank you for a great experience. Your service was everything it promised to be and the driver, Jason (I hope I have his name right) was delightful. On time, comfortable, affordable and friendly.....wow. Regards, Rita McCaffrey

On Tue, Nov 25, 2014 at 5:35 PM, Capital Aeroporter Airport Shuttle <customerservice@capair.com> wrote:
Thank you for using Capital Aeroporter.

This email contains your reservation confirmation. Below is detail of your scheduled service. Please review it carefully and call us immediately at the number listed if there are any corrections that need to be made. For service TO Seattle/Tacoma Airport, we will give a courtesy confirmation call prior to pickup (morning pickups will be called from 4pm to 6pm the day before and afternoon pickups will be called the morning of the pickup day).

PICKUP DIRECTIONS AT SEATAC AIRPORT: Please check in for the shuttle at the CAPITAL AEROPORTER COUNTER located at DOOR 00 on the BAGGAGE CLAIM LEVEL at the SOUTH END of the MAIN TERMINAL. From YOUR baggage claim follow the signs to "Scheduled Airporters" by walking the same direction inside the building as the traffic is flowing outside and you will find a large ATRIUM. Find the CAPITAL AEROPORTER COUNTER past Baggage Carousel #1, located just inside DOOR 00. The shuttle van will depart outside of Door 00. DO NOT GO TO THE PARKING GARAGE.

Service Detail:

We will be picking up McCaffrey, Rita, party of 1 on Wednesday, November 26, 2014 at 10:40 AM. The pickup will be from Seattle/Tacoma Airport ZONE for a trip to [41 So. S 327th Ln](#), Federal Way 98003 Federal Way-98003 ZONE.

The requested service type is Shared Ride Van.

The one way fare for this trip is \$23.00 and will be paid by Credit card.

The reservation number for your trip is: 752214.

Call Us With Any Corrections

If you feel that there are any errors in the above reservation(s), please contact our reservation center immediately at (360) 754-7113.

Please Note:(Credit Card Cancellation Policy)

->We have a 24 hour cancellation policy. Reservations cancelled with less than 24 hours of your pickup time will not be refunded.