

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
2 COMMISSION

3 In Re Application No. D-078959 of)
4)
4 PEARSON, SHARYN and ZEPP, LINDA,)
D/B/A CENTRALIA-SEATAC AIRPORT)Docket No. TC-010273
5 EXPRESS,)Volume No. IV
6)Pages 69 - 78
6 for Authority to Transfer all)
Rights Under Certificate)
7 No. C-993 to Centralia-SeaTac)
Airport Express, LLC.)
8 -----

9 A prehearing conference in the above matter
10 was held on April 25, 2002, at 9:20 a.m., at 1300 South
11 Evergreen Park Drive Southwest, Olympia, Washington,
12 before Administrative Law Judge MARJORIE SCHAER.

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14 The parties were present as follows:
15 THE WASHINGTON UTILITIES AND TRANSPORTATION
16 COMMISSION, by GREGORY J. TRAUTMAN, Assistant Attorney
17 General, 1400 South Evergreen Park Drive Southwest,
18 Post Office Box 40128, Olympia, Washington 98504;
19 telephone, (360) 664-1187.

LINDA ZEPP, by DAVID K. PALMER, Attorney at
18 Law, Cullen Law Office, 626 Columbia Street Northwest,
19 Suite 1A, Olympia, Washington 98501; telephone, (360)
786-5000.

20 CENTRALIA-SEATAC AIRPORT EXPRESS, LLC, by
21 RICHARD L. DITLEVSON, Attorney at Law, Ditlevson,
22 Rodgers, Dixon, 204 Pear Street Northeast, Olympia,
Washington 98506; telephone, (360) 352-8311.

23 PACIFIC NORTHWEST TRANSPORTATION SERVICES,
24 INC., by JAMES N. FRICKE, President, Post Office Box
25 2163, Olympia, Washington 98507; telephone, (360)
754-7113 ext 103.
Kathryn T. Wilson, CCR
Court Reporter

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1 P R O C E E D I N G S

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3 JUDGE SCHAER: Let's be on the record.

4 Scheduled for this time is a prehearing conference in

5 Docket No. TC-010273, which is an application by

6 Pearson-Zepp partnership that owns the Centralia-SeaTac

7 certificate to transfer that certificate to

8 Centralia-SeaTac, LLC.

9 We are meeting today on April 25th, 2002, in

10 the commission's hearing room 108, and as originally

11 scheduled, the purpose of this hearing was going to be

12 marking and listing the exhibits that each party has

13 prepared to put into the record, and at 9:30 today, we

14 were to begin the actual hearing on the transfer.

15 There has been a letter since that time from

16 Ms. Pearson asking that the application be withdrawn,

17 and the commission called for answer on that and

18 received answers from Mr. Fricke and Mr. Palmer and

19 Mr. Trautman. So instead of ruling on that motion

20 outside the hearing process, it was determined that it

21 would be useful to expand the purpose of this

22 prehearing to allow the parties to present their

23 concerns and see if we could reach some kind of

24 mutually agreeable pattern for moving forward.

25 I'm going to call right now for parties to

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1 put in an appearance, and if you've already appeared in
2 this proceeding, all you need to do is give your name
3 and your client's name, and you, Mr. Ditlevson, will
4 need to give your full appearance, which includes your
5 e-mail address and your fax number, if you have those.
6 Otherwise, you can have someone call in and give them
7 to us.

8 MR. DITLEVSON: My name is Richard Ditlevson.
9 My law firm is Ditlevson, Rodgers, Dixon. The address
10 is 204 Pear Street Northeast in Olympia. My phone
11 number is 352-8311. My fax number is 352-8501. My
12 e-mail address is dickd@buddbaylaw.com. There is two
13 d's in Budd Bay. I'm appearing this morning on behalf
14 of Centralia-SeaTac Airport Express, LLC.

15 JUDGE SCHAER: So, Mr. Fricke, do you want to
16 put in your brief appearance now?

17 MR. FRICKE: James N. Fricke, president,
18 Pacific Northwest Transportation Services, Inc.,
19 protestant.

20 JUDGE SCHAER: Mr. Palmer?

21 MR. PALMER: David Palmer appearing for Linda
22 Zepp.

23 MR. SOUTHWORTH: And Gregory J. Trautman,
24 assistant attorney general for commission staff.

25 JUDGE SCHAER: I received late yesterday two

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1 interesting pieces of correspondence. One that appears
2 to be from Sherrie Pearson -- although, I can't
3 identify it as that -- indicating that she is out of
4 state and may not be coming back any time soon, but
5 that's my interpretation. I'm not really clear on what
6 her meaning is. If somebody else knows better, they
7 might fill us in.

8 Then I also have a letter from Mr. Ditlevson
9 with some attachments. He has been representing the
10 LLC in other court proceedings, and we served him with
11 notice of this hearing because his name was showing up
12 in the file. Even though he hadn't appeared yet, we
13 wanted to make sure that every party was represented if
14 they had a need to be. So I think what we need to do
15 this morning, and I've discussed this off the record
16 with the parties, is probably take a break at this
17 point in the prehearing conference and let them have
18 discussions among themselves to try to figure out the
19 status of where we are and what we might need to do
20 next, and then we can go back on the record and discuss
21 that.

22 I had indicated in my letter in response to
23 Ms. Pearson's request for withdrawal that we would
24 decide at the end of this prehearing conference whether
25 we were going to go ahead and go into hearing this

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1 afternoon or whether we were going to continue to a
2 date certain or what we were going to do. So those are
3 the kinds of things I would like the parties to
4 discuss, and if you can reach consensus on a plan for
5 going forward, that would be ideal. If you can't, then
6 at least refine down the ideas so I can see where the
7 issues are in how to make a decision going forward. Is
8 there anything anyone wants to put in the record before
9 we go off the record for discussion? Then we are off
10 the record.

11 (Discussion off the record.)

12 (Recess.)

13 JUDGE SCHAER: Let's be back on the record.

14 While we were off the record, the parties had some time
15 to talk among themselves and figure out what they
16 thought would work in terms of moving this forward and
17 resolving the issues that are present in this case, and
18 I'm going to ask Mr. Ditlevson to report back on their
19 behalf, and then I will be asking for any comments that
20 any other party wants to put in the record at that
21 point. Go ahead please, sir.

22 MR. DITLEVSON: The party I represent,
23 Centralia-SeaTac Airport Express, LLC, is moving to
24 continue our hearing for a period of 60 days, and I
25 think we've arrived at a date of June 21st as an

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1 appropriate date for all of us to reconvene.

2 In the meantime, it is our belief that under
3 the circumstances, the authority to run this permit has
4 reverted to the partnership of Ms. Pearson and
5 Ms. Zepp. That partnership proposes to enter into a
6 management agreement, and we will file a copy of the
7 management agreement by May 2nd with copies to all of
8 the parties. Under that agreement, my client,
9 Centralia-SeaTac Airport Express, LLC, will manage the
10 operation of the permit until our hearing on this
11 application. The insurance in place will be maintained
12 throughout that period. I think that's the essence of
13 the conditions under which we seek to bring the motion,
14 seek an order.

15 JUDGE SCHAER: I'm not sure if I remember
16 whether you informed the Bench that you had paid the
17 regulatory fees for 2000 on the record or off the
18 record. Let's make sure that's on the record.

19 MR. DITLEVSON: It was off the record, but we
20 have, Your Honor.

21 JUDGE SCHAER: Is there anything further, any
22 comment, anything more about this agreement that anyone
23 would like to place on the record; Mr. Trautman?

24 MR. SOUTHWORTH: No, Your Honor.

25 JUDGE SCHAER: Mr. Palmer?

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1 MR. PALMER: The only question I have, is
2 there anything you want filed before June 21?

3 JUDGE SCHAER: I would like to have filed
4 with the commission and served on the parties no later
5 than May 2nd a lessor management agreement between the
6 LLC and the partnership, and I believe that that has
7 been committed to as well; is that correct?

8 MR. DITLEVSON: That's correct, Your Honor.

9 JUDGE SCHAER: As I understand it, your
10 client would need to be a part of that as well.

11 MR. PALMER: Yes, Your Honor. I guess we
12 would be the lessor, or we would be one of the parties.

13 JUDGE SCHAER: The lessor or the managee, I
14 guess. Mr. Fricke, did you have anything to add?

15 MR. FRICKE: Your Honor, following up on
16 Mr. Palmer's note did he have any other filings prior
17 to June 21, would you see a specific date if there are
18 any other changes in the way of an amended application
19 or other filings that would need to be in by a specific
20 date prior to that for parties?

21 JUDGE SCHAER: That's something that we
22 should discuss, because I know that for this stage of
23 the process when we were planning to have the hearing
24 today, we had set the date ahead of the hearing time
25 for distribution of documents, and then we had set the

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1 prehearing time this morning that we are using for this
2 purpose to identify and distribute exhibits among all
3 of the parties.

4 I think it would be useful for any documents
5 that are going to come in to this hearing to be
6 predistributed and to have a prehearing the morning of
7 the hearing. That means we need to stretch out the
8 hearing date for some time in order to allow documents
9 that might not be ready until the 21st to be
10 distributed. I'm open to that concern, but I think I
11 would like the parties, perhaps, to take a moment off
12 the record and talk about what will work for them going
13 forward. If we are going to go to hearing that day,
14 then I do want the hearing to run efficiently, which
15 means I would want to have predistribution of all
16 documentary evidence, and we would take the time to
17 identify and mark that the morning before the hearing.

18 MR. SOUTHWORTH: Morning of the hearing?

19 JUDGE SCHAER: Yes. So why don't we go off
20 the record again for a few minutes and let the people
21 who are going to be putting on cases at that time think
22 about what you are going to need to put together and
23 what the timing is going to be so that that can be
24 predistributed. We are off the record.

25 (Discussion off the record.)

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1 JUDGE SCHAER: Let's be on the record. While
2 we were off the record, we discussed the mechanics of
3 providing information for the hearing that will be
4 necessary to allow parties and the Bench to be prepared
5 for that hearing, and we have determined that by June
6 14th, parties will distribute any documents that they
7 are going to be presenting in the hearing, and also on
8 June 14th, they will be distributing a witness list of
9 the witnesses they plan to call, and then on June 21st,
10 again, we will be having a prehearing beginning at
11 9:00. We will use the time from 9:00 to 9:30 to
12 identify and mark exhibits and get organized, and then
13 we will start the hearing at 9:30 that morning. Is
14 that everyone's understanding?

15 MR. FRICKE: Your Honor, when you say
16 "documents," would that be any exhibits as well?

17 JUDGE SCHAER: Yes.

18 MR. PALMER: That would be filing 12 copies
19 and servicing each of the parties?

20 JUDGE SCHAER: Yes. I think the original
21 prehearing order sets out the filing requirements and
22 number of documents, and I think perhaps you might want
23 to get a copy of that either from the commission
24 records center or from one of the other parties,
25 because it will tell you how to identify things and

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1 make sure you bring them in three-hole punched, all the
2 important things so your judge can stay organized.

3 Any other questions or concerns? It's not
4 the day I thought we were going to have, but I do
5 appreciate the parties continuing to work together, and
6 I think this will be a good way to go forward. Thank
7 you, and we are off the record.

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9 (Prehearing conference adjourned at 10:16 a.m.)

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