

0036

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

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2

3 In re Application TC-111446 of) DOCKET TC-111446
4 SHUTTLE EXPRESS, INC.) (consolidated)
5) Pages 36-194

6 For Extension of Authority under)
7 Certificate No. C-975, For a Certificate of)
8 Public Convenience and Necessity to Operate)
9 Motor Vehicles in Furnishing Passenger and)
10 Express Service as an Auto Transportation)
11 Company)

12)
13 In re Application TC-111643 of) DOCKET TC-111643
14) (consolidated)
15 EXCALIBUR LIMOUSINE LLC) Pages 36-194

16 d/b/a SEATTLE GREEN LIMO)
17)
18 For a Certificate of Public Convenience and)
19 Necessity to Operate Motor Vehicles in)
20 Furnishing Passenger and Express Service as)
21 an Auto Transportation Company)

22)
23 In re Application TC-111619 of) Docket TC-111619
24) (consolidated)
25 PACIFIC NORTHWEST TRANSPORTATION SERVICES,) Pages 36-194

26 INC. d/b/a CAPITAL AEROPORTER;)
27 AIRPORT SHUTTLE,)
28)
29 For Extension of Authority under)
30 Certificate No. C-862, For a Certificate of)
31 Public Convenience and Necessity to Operate)
32 Motor Vehicles in Furnishing Passenger and)
33 Express Service as an Auto Transportation)
34 Company)

EVIDENTIARY HEARING, VOLUME II
Pages 36-194
ADMINISTRATIVE LAW JUDGE MARTIN LOVINGER

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9:32 A.M.
JANUARY 30, 2012

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Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive Southwest

0037

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OLYMPIA, WASHINGTON, JANUARY 30, 2012

9:32 A.M.

P R O C E E D I N G S

JUDGE LOVINGER: Let's go on the record.

Good morning. It is approximately 9:32 on January 30, 2012, in the Washington Utilities and Transportation Commission's Hearing Room 206 in Olympia, Washington.

This is the time and place set for an evidentiary hearing in the following dockets, which have been consolidated by the Commission: Docket TC-111446, In re Application of Shuttle Express, Inc., For Extension of Authority under Certificate No. C-975, For a Certificate of Public Convenience and Necessity to Operate Motor Vehicles in Furnishing Passenger and Express Service as an Auto Transportation Company; Docket TC-111643, In re Application of Excalibur Limousine, LLC, doing business as Seattle Green Limo, For a Certificate of Public Convenience and Necessity to Operate Motor Vehicles in Furnishing Passenger and Express Service as an Auto Transportation Company; and Docket TC-111619, In re Application of Pacific Northwest Transportation Services, Inc., doing business as Capital Aeroporter; Airport Shuttle, For Extension of Authority under Certificate C-862, For a Certificate of Public Convenience and Necessity to Operate Motor Vehicles in Furnishing Passenger and Express Service as an Auto

0043

1 Transportation Company.

2 In Docket TC-111619, Pacific Northwest Transportation
3 Services, Inc., doing business as Capital Aeroporter, applied to
4 include passenger service between Sea-Tac International Airport
5 and the Seattle Waterfront, and between points in Grays Harbor,
6 Lewis, Mason, Thurston, Pierce, and King Counties and the
7 Seattle Waterfront via Sea-Tac International Airport with some
8 limitations and to remove some existing limitations. Shuttle
9 Express filed a protest to the application.

10 In Docket TC-111446, Shuttle Express applied to
11 furnish passenger and express service as an auto transportation
12 company between points in King County and waterfront terminals
13 in Seattle with some limitations.

14 In Docket 111643, Excalibur Limousine, LLC, doing
15 business as Seattle Green Limo, applied to provide passenger and
16 express service as an auto transportation company by reservation
17 only between all hotels and Piers 66 and 91 in Seattle,
18 excluding hotels within the City of Tukwila, and within a 3-mile
19 radius of Sea-Tac International Airport.

20 Dockets TC-111446 and TC-111643 seek overlapping
21 authority, and the latter application was filed within 30 days
22 of the earlier one appearing on the application docket.

23 My name is Martin Lovinger, and I am the
24 Administrative Law Judge presiding over this hearing.

25 I would appreciate it if everyone in the room would

0044

1 please turn off their cell phones or turn them to silent, and
2 then we'll get started.

3 Some of the parties may appear on the Commission's
4 conference bridge and not in person. I would ask that those so
5 appearing identify yourself each time you speak so that all
6 parties, and especially the court reporter, Ms. Fukushima, who's
7 sitting over here to my left, will know who is speaking.

8 Also please speak as clearly and audibly as possible
9 to make sure that we hear you and because this proceeding is
10 being transcribed by our court reporter. She may interrupt you
11 to let you know that she didn't hear what you were saying.
12 Let's try to avoid the necessity of repeating what you have
13 already said.

14 Our first order of business is taking of appearances,
15 and I will start with the Commission.

16 MS. CAMERON-RULKOWSKI: Appearing --

17 JUDGE LOVINGER: So Commission Staff?

18 MS. CAMERON-RULKOWSKI: Appearing on behalf of
19 Commission Staff, Jennifer Cameron-Rulkowski, Assistant Attorney
20 General. My address is 1400 South --

21 JUDGE LOVINGER: If we already have your address and
22 phone numbers, we won't need them now.

23 MS. CAMERON-RULKOWSKI: That concludes my appearance.
24 Thank you.

25 JUDGE LOVINGER: Thank you.

0045

1 Mr. Fricke, would you like to go next?

2 MR. FRICKE: James N. -- is that on?

3 James -- excuse me. James N. Fricke.

4 JUDGE LOVINGER: Is the light on?

5 MR. FRICKE: There we go. James N. Fricke, President
6 and CEO of Pacific Northwest Transportation Services, Inc.

7 JUDGE LOVINGER: Okay. And, Mr. Harlow, would you go
8 next?

9 MR. HARLOW: Thank you. Good morning, Your Honor.
10 Brooks Harlow, representing Applicant and Protestant Shuttle
11 Express, Inc.

12 JUDGE LOVINGER: At this time, I would like to let
13 all the parties know that I received an e-mail this morning from
14 Mr. Kevin Williams, the owner of Excalibur Limousine, LLC,
15 asking for -- making a motion to withdraw his application.

16 At this time, I will grant that motion unless anybody
17 objects.

18 MR. HARLOW: We don't object, Your Honor. We
19 certainly don't concur that there would be any procedural or
20 irregularity which seemed to be hinted at in the e-mail.

21 JUDGE LOVINGER: Thank you very much for that
22 comment.

23 Anything else? Okay.

24 Because at least one of the parties is not
25 represented by counsel, I'm going to give a brief explanation of

0046

1 how we're going to be proceeding.

2 I'm going to describe this hearing, the hearing
3 process. If you have any questions, I'll give you an
4 opportunity to ask those.

5 First, we will be dealing with exhibits, and I have
6 already provided you with some paperwork that I hope will help
7 speed up that process. We will try to get each exhibit properly
8 identified for the record and for easy recognition by all
9 parties.

10 Then we'll hear from the Applicant whose application
11 was first filed with the Commission. That would be Shuttle
12 Express. As each witness is called, he or she will be asked to
13 take an oath. Shuttle Express will be the first to -- to
14 question each of its own witnesses.

15 After Shuttle Express, then other parties will have
16 an opportunity to ask witness questions -- witnesses questions
17 about the subject matter of their testimony. At that time, I
18 may have questions of the witness as well, in which case I will
19 ask them.

20 And, finally, Shuttle Express may need to ask some
21 additional questions depending on what has been brought out by
22 questions from other parties.

23 This process will be followed through each witness,
24 first, Shuttle Express, it would have been Excalibur next, but
25 they have withdrawn, then Capital Aeroporter, and, finally, the

0047

1 Commission Staff.

2 The main point of the testimony is set out in
3 RCW 81.68.040. The Commission is looking for evidence that the
4 service your company is seeking a certificate or extension of a
5 certificate to provide is not currently being provided, and
6 there is no current authority to provide the service, or the
7 current certificate holder will not provide this service to the
8 satisfaction of the Commission.

9 So the Commission wants evidence of the need for a
10 service, and evidence that others authorized to provide it, if
11 any, are not doing so or cannot or will not do so.

12 Testimony should be about facts, not arguments about
13 the law. If there is a need for legal argument, that will be
14 made by representatives of the parties, not witnesses. And how
15 such arguments will be presented, whether by oral argument or by
16 a briefing schedule, will be determined later if necessary.

17 Are there any questions about how we'll proceed at
18 this time?

19 MS. CAMERON-RULKOWSKI: Your Honor, from Commission
20 Staff, I would mention that I have a couple of preliminary
21 issues.

22 Is this a good time to raise those?

23 JUDGE LOVINGER: That was exactly my next question.
24 Thank you. Yes, it's a perfect time. Please proceed.

25 MS. CAMERON-RULKOWSKI: Commission Staff does have a

0048

1 witness that has some limitations on vision, and this is Witness
2 Penny Ingram. And she would need to be able to leave the
3 hearing by about three, unless it's a very sunny day, and then
4 3:30, and so I would ask that we accommodate that and be able to
5 take her earlier.

6 And, in fact, I do have an issue that I would like to
7 resolve right off the bat, and I would make her available as a
8 witness for that particular -- for that particular issue and
9 would ask that -- that we take that issue first and,
10 specifically, that is the existing authority of Shuttle Express
11 to serve between the airport and the waterfront.

12 JUDGE LOVINGER: Does anybody object to taking this
13 witness first and accommodating this witness as requested?

14 MR. HARLOW: I just heard our two telephone public
15 witnesses beep in. I thought we were going to take them first
16 and then follow up with Ms. Ingram right after that.

17 MS. CAMERON-RULKOWSKI: That's -- that's totally fine
18 with me.

19 MR. HARLOW: Okay.

20 MS. CAMERON-RULKOWSKI: My only concern is to get her
21 on early enough. And the other issue, too, is that I believe
22 that the parties are able to stipulate to the entry of a number
23 of exhibits.

24 JUDGE LOVINGER: Okay. Thank you for raising both of
25 those points. I was about to get to the exhibits, so that's

0049

1 helpful. And we will -- so it's my understanding we'll be going
2 with your two witnesses that have just got onto the conference
3 bridge?

4 MR. HARLOW: Yes. I think we have -- and I'm
5 assuming they'll be called in a moment -- Ms. Wheeler and
6 Mr. Gudgel, I believe. We were going to take Ms. Wheeler first
7 and then Mr. Gudgel.

8 JUDGE LOVINGER: Okay. Let's deal with the exhibit
9 list first, and then we can move on to witness testimony.

10 I provided each of you with a set of documents. I
11 had made up a master list last week before several of the
12 parties had submitted a renumbering system. Since that time,
13 two of the parties have submitted a renumbering system.
14 Unfortunately, now we end up in a situation in which people have
15 renumbered their documents to be the same numbers as other
16 people's exhibits have been numbered.

17 What I propose to do -- everyone seems to understand
18 the numbering system, and I don't think it will be really hard
19 for us to change this, but I would suggest that we -- I take it
20 somebody's joined us on the conference line? I guess we'll have
21 to find out later on. -- I would suggest that we take the
22 numbering system that we started with the Commission Staff, and
23 then proceed through the rest of the exhibits numerically.

24 So, for example, where -- and it's entirely possible,
25 of course, by the time we're done, that people are going to

0050

1 withdraw some of these exhibits anyway, given the changed
2 situation here, but -- in fact, let me start with that as a
3 point.

4 Are there any exhibits, knowing the changed situation
5 here, that the parties would be willing to withdraw from their
6 offerings?

7 MR. HARLOW: Yes.

8 MS. CAMERON-RULKOWSKI: Yes, Your Honor.

9 JUDGE LOVINGER: Let me start with Commission Staff,
10 then.

11 MS. CAMERON-RULKOWSKI: Commission Staff withdraws
12 all of the exhibits that are listed under Kevin Williams as a
13 witness, and, specifically, that's KW-1 through KW-7.

14 JUDGE LOVINGER: Thank you. We'll go with Shuttle
15 Express second.

16 MR. HARLOW: Thank you, Your Honor. And our numbers
17 aren't going to be right, so I'll be a little more descriptive.
18 And if it would help, I could use the premarked numbers.

19 JUDGE LOVINGER: Yes, that would be helpful for
20 the --

21 MR. HARLOW: Okay. So the one we premarked and
22 distributed as SE-5, Washington Secretary of State -- Certified
23 Copy, that will not be offered. And then the exhibits marked
24 SE-11 to SE-14, starting with Department of Revenue License
25 Search, then the WUTC: Notice of Penalties, then the Washington

0051

1 State Licensing: Disciplinary Actions, and then website of
2 Excalibur Limousine, those will also not be offered.

3 JUDGE LOVINGER: Thank you.

4 MR. HARLOW: Thank you.

5 JUDGE LOVINGER: Mr. Fricke, I believe that none of
6 yours will be changed by...

7 MR. FRICKE: None of those will be changed in
8 relation to that change. We did omit the original No. 5
9 exhibit, so we didn't bring that. That was a picture of the
10 vehicle.

11 JUDGE LOVINGER: Okay.

12 MR. FRICKE: And there were a couple of others that
13 we did substitute pages to make them more readable or clarified.

14 JUDGE LOVINGER: Thank you. I'm sure everyone will
15 appreciate that.

16 All right. Given the withdrawals now, let's go
17 through and see what we can do about renumbering what's left.

18 Because Commission Staff did, in fact, submit the
19 numbers correctly the first time, we're going to start with
20 theirs, and that would shift the numbers, I believe, for Shuttle
21 Express's exhibit list.

22 So may I make a proposal for you that we number,
23 starting with your first one, JR-1, we'll make it JR-3; JR-2
24 would become JR-4; JR-3 would become JR-5; JR-4 would become
25 JR-6; JR-5 would become JR-7; JR-6 would become JR-8; JR-7 would

0052

1 become JR-9; JR-8 would become JR-10; and JR-9 would become
2 JR-11.

3 Does that work for you?

4 MR. HARLOW: What was the last one descriptively?

5 JUDGE LOVINGER: Photos and maps of cruise terminals
6 would become JR-11.

7 MR. HARLOW: Yes, thank you.

8 JUDGE LOVINGER: Okay. Mr. Fricke, it looks like the
9 only one of yours that would need to be changed is you have one
10 marked as JR-1, which I would propose that we mark as JR-12.

11 MR. FRICKE: Okay.

12 (Exhibit Nos. JR-1, JR-2, PI-1, PI-2; JR-3 through
13 JR-11; and JF-1 through JF-4, and JR-12 were
14 marked.)

15 JUDGE LOVINGER: Thank you. With that, I believe we
16 are ready to call -- unless there are other preliminary matters,
17 we are ready to call the first witness.

18 Mr. Harlow, would you please call your first witness?

19 MR. HARLOW: Thank you. Our first witness is

20 Ms. Raquel Wheeler, who we hope is on the bridge line and --

21 MS. WHEELER: Yes, I am.

22 MR. HARLOW: Thank you. I'm glad you remembered to
23 unmute.

24 JUDGE LOVINGER: Ms. Wheeler, can you please stand
25 and raise your right hand?

0053

1 MS. WHEELER: Yes.

2

3 RAQUEL WHEELER,

4 witness herein, having been first duly sworn on oath, was

5 examined and testified as follows:

6

7 JUDGE LOVINGER: Thank you very much. You may be

8 seated at this time.

9 Your witness.

10 MR. HARLOW: Thank you, Your Honor.

11

12 D I R E C T E X A M I N A T I O N

13 BY MR. HARLOW:

14 Q. Thank you, Ms. Wheeler, for volunteering to appear by
15 telephone for this hearing.

16 Would you please state your name and your employer
17 and position for the record.

18 A. My name is Raquel Wheeler. I work for Red Lion Hotel
19 Bellevue, and I'm director of sales and marketing.

20 Q. And as director of sales and marketing, what are your
21 duties briefly?

22 A. Put together the marketing and packages for the
23 hotel, as well as control which groups we are selling to and
24 which rates.

25 Q. And as part of that, do you work with hotel guests

0054

1 who need ground transportation to and from your hotel to the
2 cruise terminals in Seattle?

3 A. Yes, I do.

4 Q. And could you just give us an overview of your
5 experience in the travel and hospitality business?

6 A. I am third generation in the hospitality business; my
7 family has owned and operated hotels since the time I was born;
8 and then I have a degree in business administration.

9 Q. And do you have familiarity with the tourist and
10 travel patterns between the Eastside and the Seattle piers?

11 A. Yes, I do.

12 Q. Are you familiar with the ground transportation needs
13 of Eastside residents from their homes as well?

14 A. No, I am not.

15 Q. Okay. Would you describe your property, the Red Lion
16 property, kind of a 30,000-foot level for us, just so we can get
17 a sense?

18 A. It's 181 hotel rooms with a large, flat surface
19 parking lot. It's a mid-level 3-star hotel that serves the
20 Bellevue area.

21 Q. Does the Red Lion serve the cruise business out of
22 Seattle?

23 A. We do.

24 Q. And tell us in what way they serve the cruise
25 business.

0055

1 A. Last year, we developed a cruise package, which
2 included free parking, and then transportation to and from the
3 terminal.

4 Q. And the transportation to and from the terminal,
5 would you anticipate that hotel guests would be purchasing
6 individual tickets?

7 A. We included that as part of our package, so we
8 purchased the transportation, and then...

9 Q. Is there also a need for customers occasionally to
10 buy individual tickets from the hotel to the cruise terminal?

11 A. At that -- this point in time, we did not sell it
12 that way, because we tried to -- we try and package items, so
13 it's an all-inclusive package.

14 Q. Do you see a need for some of the -- some of your
15 guests to utilize that service?

16 A. Possibly, but it's not something that I have
17 definitely gone after to try and sell.

18 Q. Is it a convenience you would like to be able to
19 offer your hotel guests?

20 A. That would be definitely a nice -- a nice -- a nice
21 item to sell.

22 Q. Do you see the need for this service currently being
23 met by any provider?

24 A. At this point in time, it's -- you know, there's not
25 really public transportation with the exception of a taxi that

0056

1 goes to and from the terminal or Town Cars.

2 Q. Shuttle Express has an application pending in this
3 proceeding to serve, quote, all points in King County to
4 waterfront terminals in Seattle, end quote.

5 I take it you have some high-level familiarity with
6 that?

7 A. Yes, I do.

8 Q. Are you supporting Shuttle Express's application?

9 A. Yes.

10 Q. And maybe in 25 words or more or less, why do you
11 support the application?

12 A. I think they have the financial stability to offer
13 this service successfully and -- and be, you know, a partner to
14 the hotels in the area with affordable and consistent service.

15 MR. HARLOW: Your Honor, that concludes our direct.
16 Ms. Wheeler is available for cross-examination by the other
17 parties.

18 JUDGE LOVINGER: Mr. Fricke, do you wish to proceed
19 to question this witness?

20 MR. FRICKE: I have no questions at this time of this
21 witness.

22 JUDGE LOVINGER: Ms. Cameron-Rulkowski, do you have
23 any questions of this witness?

24 MS. CAMERON-RULKOWSKI: Yes, I do Your Honor.

25 ////

0057

1 C R O S S - E X A M I N A T I O N

2 BY MS. CAMERON-RULKOWSKI:

3 Q. Good morning, Ms. Wheeler. This is Jennifer
4 Cameron-Rulkowski, Assistant Attorney General, and mostly I
5 wanted to ask a clarifying question.

6 Did you say that currently as part of your package,
7 you're offering transportation to your guests through another
8 transportation company?

9 A. At this point in time, we discontinued our package
10 just because the rates were fluctuating drastically.

11 Q. So, currently, you are not offering any
12 transportation as a package through -- for your hotel guests; is
13 that correct?

14 A. No. We discontinued that in August.

15 MS. CAMERON-RULKOWSKI: Thank you very much. I have
16 no further questions.

17 JUDGE LOVINGER: Thank you.

18 Mr. Harlow, would you like to call your next witness,
19 please?

20 MR. HARLOW: Yes. May we excuse Ms. Wheeler?

21 JUDGE LOVINGER: Oh, I'm sorry. Yes. I'm sorry.

22 Ms. Wheeler, there are no more questions for you at
23 this time. You are excused.

24 THE WITNESS: Okay. Thank you.

25 MR. HARLOW: Our next witness is Mr. David Gudgel,

0058

1 which I hope he's on the line as well.

2 David, remember to unmute if you're mute.

3 JUDGE LOVINGER: Mr. Gudgel, are you there?

4 We'll take a two-minute recess here and give him a
5 chance to locate his witness.

6 We're off the record.

7 (A break was taken from 9:55 a.m.
8 to 9:57 a.m.)

9 JUDGE LOVINGER: Back on the record.

10 MR. HARLOW: Good morning, Mr. Gudgel. Thank you for
11 calling in.

12 JUDGE LOVINGER: Wait. Wait. I'm sorry.

13 MR. HARLOW: Oh.

14 JUDGE LOVINGER: I need to swear Mr. Gudgel in.

15 MR. HARLOW: Yes, you do.

16 JUDGE LOVINGER: So we're back on the record.

17 Mr. Gudgel, can you please stand and raise your right
18 hand? And we're taking your word that you're standing and
19 raising your right hand.

20

21 DAVID GUDGEL,
22 witness herein, having been first duly sworn on oath, was
23 examined and testified as follows:

24

25 JUDGE LOVINGER: Thank you. You may be seated.

0059

1 MR. HARLOW: Thank you again.

2

3 D I R E C T E X A M I N A T I O N

4 BY MR. HARLOW:

5 Q. Mr. Gudgel, would you please state your name and your
6 employer and your position for the record.

7 A. Sure. My name is David Gudgel. G-u-d --

8 THE REPORTER: Excuse me. Could you have the witness
9 speak up, please?

10 BY MR. HARLOW:

11 Q. Excuse me. Mr. Gudgel, can you get closer to the
12 phone or speak up a little? The court reporter is having a hard
13 time hearing you.

14 A. Okay. Is that better?

15 Q. Yes.

16 A. Okay. My name is David Gudgel, spelled G-u-d-g-e-l,
17 and I'm the sales and operations director at Europe Express.

18 Q. And, briefly, what are your duties as sales and
19 operations director at Europe Express?

20 A. I manage inbound call centers and tour operations and
21 the travel agent sales distribution channel for an outbound
22 Europe tour operator.

23 Q. Do you have any past experience in ground
24 transportation prior to Europe Express?

25 A. Yes, significant experience. I spent 15 years at

0060

1 Holland America Line managing their different transportation
2 units, seven of those managing Gray Line of Alaska divisions,
3 and for the last eight of those, managing Gray Line of Seattle,
4 Horizon Coach Lines in Vancouver, as well as the pier operations
5 at Terminal 30 and 66.

6 I also, after leaving Holland America, worked for a
7 company called "Shore to Sea Services" that was in the business
8 of doing -- contracting directly with the cruise lines to do all
9 their cruise handling work which involved the transportation
10 needs and staffing for check-in at the cruise terminals.

11 Q. And based on your many years of experience in ground
12 transportation and cruise businesses, would you say you are
13 familiar with tourist and travel patterns in King County?

14 A. Yes. I feel like I have a great familiarity with
15 that.

16 Q. Would you also be familiar with the ground
17 transportation of King County residents and visitors?

18 A. Yes. As part of my duties with the Gray Line of
19 Seattle, I operated the Airporter, the Downtown Airporter or as
20 the Airport Express. And so in addition to dealing with the
21 local -- or inbound clients for cruise, we also did a lot of
22 work with residents in the King County area and the -- there's a
23 significant amount of charter work at Gray Line of Seattle
24 for -- for residents as well as inbound guests.

25 Q. Based on your experience in the ground transportation

0061

1 business, do you have familiarity with the operations of Shuttle
2 Express, the Applicant in this case?

3 A. Yes, I do. I am familiar with their management.
4 John and I worked jointly on some projects during my tenure at
5 Gray Line of Seattle and got to know their management team
6 fairly well and have utilized their -- their services as well.

7 Q. And just for the record, "John" would be Mr. Rowley?

8 A. Yes.

9 Q. Thank you.

10 A. I'm sorry.

11 Q. That's all right. That's what the lawyers are for.

12 A. We also chartered their services. When I worked for
13 Shore to Sea Services, I utilized them to do some of the
14 transportation and -- and some of the special needs with
15 wheelchairs and -- and that sort of thing getting from the
16 airport to the pier.

17 Q. Thank you. Shuttle Express has applied in this
18 docket to serve all points in the King County to waterfront
19 terminals in Seattle.

20 Are you familiar with generally the scope of the
21 application?

22 A. Yes.

23 Q. Do you see a need -- well, let me back up.

24 Are you supporting that application?

25 A. Yes.

0062

1 Q. And would you explain at high level why you support
2 the application for that authority?

3 A. I think that Shuttle Express has a great
4 infrastructure that they have established with their
5 door-to-door service and a good -- good level of service and
6 rates and have the ability to meet that need.

7 Q. Okay. I want to focus you a little more. You have
8 done a great job of describing Shuttle Express's capability, but
9 talk a little bit more, if you would, please, about the need
10 that you perceive that Shuttle Express could fill.

11 A. The -- you know, my -- my experience isn't with
12 Terminals 90 and 91 so much, but certainly with Pier 66. And
13 the amount of -- during a cruise ship day, the amount of
14 pressure that is put on that area at 66 is significant with the
15 traffic. That is by far the smallest transportation area of any
16 cruise terminal that I have dealt with, and I have dealt with
17 areas in San Francisco, Seattle, Vancouver, San Diego, Los
18 Angeles, and some Texas and Florida venues as well. So getting
19 people in and out efficiently to that -- that terminal, and, you
20 know, parking's not readily available and can be quite
21 expensive.

22 So having -- having a service that gets people to the
23 pier efficiently and doesn't take up a large footprint at --
24 transportation footprint to the pier is important.

25 Q. Thank you. That was -- that was terrific. I really

0063

1 appreciate that.

2 How about you, yourself? Have you ever taken a
3 cruise out of Seattle?

4 A. I have taken just -- just one cruise, and it was just
5 an overnight up to Vancouver, one of the -- the short segments.

6 Q. Do you expect that you might be taking a cruise again
7 out of Seattle in the foreseeable future?

8 A. It's possible.

9 Q. If you did, would you want to have the option to take
10 a Shuttle Express van from your home or a Shuttle Express bus
11 from one of the airport -- or from one of the hotels?

12 A. Yeah. I think that -- especially traveling with a
13 family, that's something that I would be interested in doing.

14 Q. And what is it about Shuttle Express's service as
15 something that might interest you in the future?

16 A. Just I know that they have enough equipment that
17 they're going to be timely, and I'm not going to be -- not going
18 to be waiting for a long time to make the transfer, and that
19 they also have established themselves at the piers. I know -- I
20 would know where to find them on the return, and it would be
21 easy to do that.

22 Q. Now, you talked a little bit about the congestion
23 issues at the piers, particularly Pier 66.

24 Do you also have familiarity from your experience
25 with the staging areas for auto transportation companies at the

0064

1 airport?

2 A. I do.

3 Q. Are you aware that Capital Aeroporter is applying for
4 authority to serve from Sea-Tac Airport to Pier 66 and Pier 91?

5 A. I am.

6 Q. In your opinion, do you see any issues with granting
7 a second authority to Capital Aeroporter to serve between
8 Sea-Tac and Pier 66 or 91?

9 A. I think this issue -- I would think it's just -- you
10 know, if they -- if you do that, they're going to have to have
11 an area for them to -- to operate and to drop and pick up their
12 guests. And in doing that, you are going to basically spread
13 out the transportation footprint. There's not a lot of
14 opportunity to expand there once you get past the -- the deli
15 there. There's not a lot of extra expansion heading down
16 towards the aquarium, so you're going to have to work in with
17 the cabs and the -- the buses and everything else. And it's
18 just -- I think it's an issue about how many operators can
19 actually fit there and do their job well.

20 Q. Do you have any background or knowledge of Capital
21 Aeroporter's operations generally? Their current operations?

22 A. Basically from my -- my time at -- when I was at Gray
23 Line of Seattle, we worked with Capital Aeroporter on some joint
24 issues. And, you know, I guess my only other concern was
25 that -- I don't know how things are with them now, but at that

0065

1 time, there were some financial concerns and -- with their
2 ability to contribute to the -- the initiatives that Shuttle
3 Express and Gray Line of Seattle worked on.

4 MR. HARLOW: Thank you very much, Mr. Gudgel. I have
5 no further questions.

6 JUDGE LOVINGER: Mr. Fricke, do you have any
7 questions of this witness?

8

9 C R O S S - E X A M I N A T I O N

10 BY MR. FRICKE:

11 Q. Mr. Gudgel, Jim Fricke, Capital Aeroporter.

12 During your tenure with Gray Line of Seattle there,
13 was your operation -- or were you in charge of the operation at
14 the time that the downtown transportation or scheduled service
15 was -- by Gray Line was at the south end of the terminal
16 building?

17 A. It had -- yes, yes. It had moved to the south end
18 while I was there; that's correct.

19 Q. And is that also where transportation by Gray Line
20 would have been offered to the waterfront from -- from that
21 south end location?

22 A. That's correct.

23 Q. And you are familiar, of course, that we departed
24 from that same location at the time that Gray Line, under your
25 management, was departing from that south end location?

0066

1 A. Yes, I am aware of that.

2 MR. FRICKE: Okay. Thank you, sir.

3 JUDGE LOVINGER: Ms. Cameron-Rulkowski, do you
4 have -- does the Commission Staff have any questions?

5 MS. CAMERON-RULKOWSKI: Thank you, Your Honor. I do
6 have a few.

7

8 C R O S S - E X A M I N A T I O N

9 BY MS. CAMERON-RULKOWSKI:

10 Q. Mr. Gudgel, where do you reside?

11 A. I reside on Lake Union.

12 MS. CAMERON-RULKOWSKI: Thank you. No further
13 questions from Staff.

14 JUDGE LOVINGER: Thank you. Mr. Gudgel, it appears
15 nobody else has any -- does anyone else have any other
16 questions?

17 They appear to have no questions at this time.
18 You're excused.

19 THE WITNESS: Okay. Thank you.

20 JUDGE LOVINGER: We're going to break from the
21 original process I laid out at this time to bring Ms. Ingram
22 forward to testify.

23 MS. CAMERON-RULKOWSKI: Thank you, Your Honor. Let
24 me go ahead and introduce --

25 JUDGE LOVINGER: Oh, yes.

0067

1 MS. CAMERON-RULKOWSKI: Introduce a particular issue,
2 if I may.

3 JUDGE LOVINGER: And, actually, while she's taking
4 her seat, let's deal with the exhibits.

5 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

6 JUDGE LOVINGER: It's my understanding there was a
7 stipulation regarding the exhibits today?

8 MS. CAMERON-RULKOWSKI: That's correct, Your Honor.
9 I believe that -- I believe that all of the parties agreed to
10 the admission of the existing exhibits.

11 JUDGE LOVINGER: All right. If there are no -- is
12 that true? There are no objections?

13 Then all of the items identified earlier in this
14 proceeding will be admitted.

15 (Exhibit Nos. JR-1, JR-2, PI-1, PI-2; JR-3 through
16 JR-11; and JF-1 through JF-4, and JR-12 were
17 admitted into the record.)

18 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

19 JUDGE LOVINGER: And now you had some matter you want
20 to deal with before questioning Ms. Ingram?

21 MS. CAMERON-RULKOWSKI: Yes. Thank you, Your Honor.

22 So I have asked to have Ms. Ingram called to speak
23 generally about a couple of the exhibits, and the issue that I
24 was -- that these exhibits address is the existing authority of
25 Shuttle Express to serve between Sea-Tac Airport and the cruise

0068

1 ship terminals.

2 JUDGE LOVINGER: Please proceed. Thank you.

3 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

4 Good morning, Ms. Ingram.

5 MS. INGRAM: Good morning.

6 MS. CAMERON-RULKOWSKI: Please state and spell your
7 name.

8 MS. INGRAM: Penny Ingram. P-e-n-n-y; I-n-g-r-a-m.

9 MS. CAMERON-RULKOWSKI: Please state --

10 JUDGE LOVINGER: Oh, yes. Excuse me. I'm sorry. I
11 have been reminded that I've forgotten to swear the witness.

12 Ms. Ingram, can you please stand again --

13 MS. INGRAM: Sure.

14 JUDGE LOVINGER: -- and raise your right hand?

15

16 PENNY INGRAM,

17 witness herein, having been first duly sworn on oath, was

18 examined and testified as follows:

19

20 JUDGE LOVINGER: Thank you, please be seated.

21 And thank you for the reminder.

22

23 D I R E C T E X A M I N A T I O N

24 BY MS. CAMERON-RULKOWSKI:

25 Q. Ms. Ingram, please state the name of your employer.

0069

1 A. The Washington Utilities and Transportation
2 Commission.

3 Q. And in what position are you employed by the
4 Commission?

5 A. I'm a Regulatory Analyst 3.

6 Q. How long have you been employed in this position?

7 A. Seven years.

8 Q. And how long have you been employed by the
9 Commission?

10 A. Twenty years.

11 Q. Please briefly describe your responsibilities as they
12 pertain to this matter.

13 A. I'm responsible to review auto transportation
14 companies certificated authorities, and help the companies with
15 any technical questions they have regarding tariff filings or
16 policy issues as they may come up.

17 Q. And are you familiar with Shuttle Express?

18 A. Yes.

19 Q. How are you familiar with Shuttle Express?

20 A. I have worked with Shuttle Express over the years
21 many times through tariff filings, answering policy questions,
22 and many tariff issues.

23 Q. Thank you. And do you know when Shuttle Express
24 first received auto transportation authority from the
25 Commission?

0070

1 A. Yes, I do. They were granted auto transportation
2 authority in 1989 under order M.V.C. No. 1809.

3 Q. And is that the order that is Exhibit JR-2?

4 A. Yes.

5 Q. Now, I want to talk briefly about the exhibit number,
6 PI-1.

7 A. (Witness nods head.)

8 Q. Can you please describe what this exhibit is?

9 A. This exhibit is a 1997 copy of the 1997 Washington
10 Administrative Code 480-12-081. It has the definition of
11 commercial zone, which is in Shuttle Express's certificate.

12 Q. And is this the version of WAC 480-12-081 that was in
13 effect at the time that Shuttle Express received its certificate
14 in 1989?

15 A. Yes.

16 Q. And can you tell us how it is that you identified
17 that?

18 A. This -- I asked my librarian to pull up the old
19 Washington Administrative Codes. This code was -- the 1997 code
20 was the last year that this code was in effect before it was
21 appealed and -- or repealed -- sorry -- and it's the same rule
22 that was in place during the -- the hearing that established
23 Shuttle Express's certificate.

24 Q. Thank you. And then I would like you to turn briefly
25 to Exhibit PI-2.

0071

1 And could you please briefly describe what this
2 exhibit is?

3 A. This is a map that I worked with our Staff, our GIS
4 Staff, who's responsible to create maps based on companies'
5 certificated authority. This is Shuttle Express's certificated
6 authority.

7 MS. CAMERON-RULKOWSKI: Thank you. I have no further
8 questions for Ms. Ingram.

9 JUDGE LOVINGER: Mr. Harlow, do you have any
10 questions?

11 MR. HARLOW: Yes. Thank you, Your Honor.

12

13 C R O S S - E X A M I N A T I O N

14 BY MR. HARLOW:

15 Q. Good morning, Ms. Ingram.

16 A. Good morning.

17 Q. You indicated you have familiarity with Shuttle
18 Express's operations?

19 A. Yes, I do.

20 Q. And I take it that this point consists primarily of
21 service between points in King and other counties to
22 Seattle-Tacoma International Airport?

23 A. Yes.

24 Q. To the best of your knowledge -- well, let me back
25 up.

0072

1 Do you have an opinion as to whether or not Shuttle
2 Express is providing that service satisfactorily?

3 A. I have no -- no knowledge that they are not -- are
4 not providing that service.

5 Q. I'll accept that. Thank you very much.

6 A. Mm-hm.

7 Q. Specifically with regard to service by Shuttle
8 Express between Seattle-Tacoma International Airport and Piers
9 66 and 91, do you have an understanding -- I'm not going to ask
10 this as a legal opinion but as -- as a regulatory opinion.

11 Do you have an opinion as to whether or not the piers
12 are within the scope of Exhibit -- well, it's JR-1, the Shuttle
13 Express certificate?

14 A. Yes.

15 Q. And what is your opinion?

16 A. My opinion is they do have the authority to provide
17 service between Sea-Tac International Airport and the piers.

18 Q. And have any facts come to your attention which would
19 suggest that Shuttle Express is not providing that service
20 satisfactorily during cruise season?

21 MS. CAMERON-RULKOWSKI: I would like to object to
22 that question. Ms. Ingram should be given -- Staff witnesses
23 should be given the benefit of hearing the various testimony
24 from both sides before rendering an opinion on service to the
25 satisfaction of the Commission. Furthermore, Ms. Ingram is not

0073

1 being offered to testify on that issue. That will be Mr. Gomez.

2 JUDGE LOVINGER: I'm going to --

3 MR. HARLOW: If I may respond, the question
4 specifically asks if she knew any facts that would support that
5 conclusion, so she can certainly be recalled later and change
6 her testimony. But I think since it was an opinion question, I
7 think it's appropriate at this time.

8 JUDGE LOVINGER: I believe that the objection there
9 was that it goes beyond the questions of her direct examination.

10 MR. HARLOW: That's a tougher one, Your Honor.

11 MS. CAMERON-RULKOWSKI: That's correct. It went
12 beyond --

13 MR. HARLOW: I didn't understand that was the
14 objection.

15 MS. CAMERON-RULKOWSKI: -- the scope.

16 JUDGE LOVINGER: The objection is sustained.

17 MR. HARLOW: All right. Thank you, Your Honor.

18 No further questions at this time.

19 JUDGE LOVINGER: Mr. Fricke, do you have any
20 questions at this time?

21 MR. FRICKE: No questions.

22 JUDGE LOVINGER: Do you have any redirect?

23 MS. CAMERON-RULKOWSKI: No, Your Honor. I do not.

24 JUDGE LOVINGER: Is it all right? Would this witness
25 be excused in that case?

0074

1 MS. CAMERON-RULKOWSKI: Please, Your Honor.

2 JUDGE LOVINGER: The witness is excused.

3 THE WITNESS: Thank you.

4 JUDGE LOVINGER: Thank you very much.

5 Mr. Harlow, I believe it is back to you.

6 MR. HARLOW: I believe it is.

7 At this time, Shuttle Express calls -- help me.

8 -- Norm, Mr. Norman Groesbeck.

9 JUDGE LOVINGER: Will you please stand.

10 MR. GROESBECK: That's okay. I have senior moments,
11 too.

12 JUDGE LOVINGER: Will you please raise your right
13 hand.

14

15 NORMAN GROESBECK,

16 witness herein, having been first duly sworn on oath, was

17 examined and testified as follows:

18

19 JUDGE LOVINGER: Thank you very much. You may be
20 seated.

21 You may proceed, Mr. Harlow.

22

23 D I R E C T E X A M I N A T I O N

24 BY MR. HARLOW:

25 Q. My apologies, Mr. Groesbeck for --

0075

1 A. That's okay.

2 Q. Since I seem to be having trouble with it, would you
3 please state your name for the record.

4 A. My name is Norman Groesbeck. It's G-r-o-e-s-b-e-c-k.

5 Q. By whom are you employed, Mr. Groesbeck?

6 A. I'm employed by TMS Gateway.

7 Q. What does "TMS" stand for?

8 A. Transportation Management Systems Gateway division.

9 Q. And what is your title?

10 A. I am the assistant operations manager, Seattle pier
11 operations, for TMS Gateway. I'm also a pier supervisor for
12 Royal Caribbean at Terminal 91, pier supervisor for Norwegian at
13 Pier 66, and also the bus lot director for Carnival at Terminal
14 91.

15 Q. Do you have any responsibility with regard to cruise
16 passenger ground transportation?

17 A. In the fact that we direct the people to the
18 transportation areas, board them on coaches that are going
19 basically to the airport, and meeting those inbound passengers
20 at the bus lots to direct them into the terminals.

21 Q. Do you have responsibility for those operations?

22 A. To the effect that everything works as it's supposed
23 to work, which sometimes, as you know, things don't always go
24 right.

25 Q. We'll delve into that a little more.

0076

1 How long have you been with TMS?

2 A. I have been with TMS -- this will be three years.

3 Before that, it was with Dave Gudgel at Shore to Sea.

4 Q. And before that, did you have experience in the
5 transportation business?

6 A. I spent 30 years with United Airlines.

7 Q. Thank you. Did you bring with you what's been marked
8 as Exhibit -- with the new number. Yeah, it's been mismarked,
9 but it's -- it should be JR-11. It's also been marked as SE-10.

10 A. Yes, I have it.

11 Q. Okay.

12 MR. HARLOW: Do we want to re-mark that, Your Honor,
13 or do we just leave it alone?

14 JUDGE LOVINGER: I'm not sure I understand.

15 MR. HARLOW: Well, it was initially identified with
16 Mr. Rowley, and we think we're going to be able to authenticate
17 it through Mr. Groesbeck.

18 JUDGE LOVINGER: Then I would ask if anyone has any
19 objection to changing the numbering so that we are all
20 consistent with who's actually introduced it.

21 MR. HARLOW: So this is -- JR-11 would become NG --

22 JUDGE LOVINGER: 1.

23 MR. HARLOW: -- 1.

24 JUDGE LOVINGER: If there are no objections, it will
25 be so marked as NG-1. Thank you.

0077

1 (Exhibit No. JR-11 was re-marked as NG-1.)

2 MR. FRICKE: Which one are we...

3 JUDGE LOVINGER: What was SE-10, Photos and Maps of
4 Cruise Terminals, and then became JR-11 and now it's NG-1.

5 BY MR. HARLOW:

6 Q. Mr. Groesbeck, what does NG-1 consist of? What are
7 those documents?

8 A. Page 1 is a -- kind of an overall -- if you will, an
9 aerial view of both Pier 66 and Terminal 91, and then it gets
10 into detail of each of the piers.

11 Q. What does page 2 of 10 show?

12 A. Page 2 of 10 is a close-up view of -- an overview of
13 Pier 66 and Bell Street Terminal.

14 Q. And if you would, just please go through all ten
15 pages and identify them for the record.

16 A. Okay. Do you want me just to say what they are, or
17 detail them?

18 Q. Yes, just as you have done. Just give a one-sentence
19 description.

20 A. Okay. Item No. 3 is a view of a Celebrity ship with
21 Pier 66 that extends down to Anthony's and then the port there;
22 No. 4 is a close-up view -- or a closer view of the previous
23 page; No. 5 --

24 Q. Is it also Pier 66?

25 A. Yes. These are all Pier 66. Excuse me.

0078

1 Item No. 5 is a close-up view of a portion of the bus
2 lot. You can see a coach in the lot. Also the passenger
3 drop-off area of Alaskan Way. Number 6 is a view looking north
4 on Alaskan Way. And then No. 6 is an over -- aerial view, type
5 view above --

6 Q. I think you mean 7 of 10? Is that what you're
7 looking at?

8 A. I'm sorry. Excuse me. 7.

9 Q. Thank you.

10 A. 7 is an overview of Terminal 91. Number 8 is a
11 little closer view with two ships docked at Terminal 91, No. 8.
12 Number 9 shows the passenger drop-off areas at Terminal 91, and
13 No. 10 is a little bit closer view of that same thing.

14 Q. Thank you, Mr. Groesbeck.

15 How many seasons have you worked on ground
16 transportation at Pier 66 and 91?

17 A. Well, since -- I started out actually at Pier -- at
18 Terminal -- Pier 30, I guess it was at that point, so at 66 and
19 91. I have been at 66 about five years; Terminal 91 since it
20 opened, which was, I believe, three years ago? That sounds
21 right. It might be four, but I know for three.

22 Q. And, you know, feel free -- and I may point to some
23 of the pages in Exhibit NG-1, but feel free to use the exhibit
24 as illustrations with any of your answers.

25 A. Okay.

0079

1 Q. Thank you. Do you have familiarity with Shuttle
2 Express's current operations between Sea-Tac Airport and Pier 66
3 and 91?

4 A. Yes, I do.

5 Q. And how would you describe your operations
6 qualitatively?

7 A. My experience with them has been that they have been
8 very efficient. And when you have -- dealing with that many
9 people on a daily basis -- there have been one or two issues,
10 but we've always worked those out, and so that when their groups
11 are coming through the baggage claim through the terminal, we
12 just -- we work it out so they go through very efficiently. We
13 keep our people moving.

14 Q. From your perspective, are you happy with their
15 operations?

16 A. Yes.

17 Q. And do you see a need for Shuttle Express to expand
18 their operations to encompass all of King County?

19 A. We are asked frequently. When the guests come off
20 out into the bus lots or through the terminal doors, they see
21 all these coaches, and they assume that this coach -- they're
22 not all going to the same place. One is going someplace else.

23 And we'd say, "No, I'm sorry, but these are all going
24 to the airport."

25 Then they'll ask, "Well, is there any transportation

0080

1 like to Redmond or Bellevue," or once in a while, some places up
2 north towards, oh, Shoreline and up that direction. Sometimes
3 into the Renton area down there.

4 And our response is, "Gee, I'm sorry. These are all
5 going to the airport. The only thing I can really suggest is a
6 cab."

7 And so --

8 Q. You anticipated my next question.

9 Are you aware of any other service other than taxi
10 cab and private automobile service?

11 A. No, I'm not.

12 Q. Okay.

13 A. No.

14 Q. So East King County would be unserved at this time?

15 A. Yes, as far as I know.

16 Q. Do you have any preference as between the two
17 applicants here today to serve King County, Shuttle Express and
18 Capital Aeroporter?

19 A. Given the track record of Shuttle Express, that would
20 be my choice.

21 Q. And can you be more -- are there any issues with
22 regard to the piers themselves and the number of vans or buses?

23 A. Okay. I'm looking at No. 3.

24 Q. Page 3 of --

25 A. Page No. 3 of 10. This is probably taken in a late

0081

1 afternoon. If you go to the morning around the -- oh, say, from
2 7:30 on, 7:30 to ten o'clock in that area, you will find that --
3 well, let me back up and do one thing.

4 Down to the far left, do you see the building there?
5 That is Anthony's (indicating).

6 Q. This would be on the?

7 A. Number 3 on Alaskan Way.

8 Q. Next to the small boat harbor there?

9 A. Yes.

10 Q. Okay. Thank you.

11 A. That's Anthony's.

12 Q. That's a restaurant?

13 A. Right.

14 Q. Thank you.

15 A. We have had arrangements with Anthony's and worked
16 with their delivery people so that we can put our charter
17 people, groups that have chartered coaches, to meet down there.
18 That is not going to happen this year, we have been told.

19 In the morning hours from -- if you'll notice about
20 right here where this -- this coach is about right here
21 (indicating)?

22 Q. Okay. So this would be the coach just to the right
23 of the pedestrian sky bridge?

24 A. Yes.

25 Q. Thank you.

0082

1 A. Okay. Normally on any weekend day, Friday, Saturday,
2 Sunday, that area is reserved for the parking garage across the
3 street, and they use that as a shuttle area. From that point on
4 down towards the Anthony's, is usually where Shuttle Express is
5 and whatever else.

6 In front of the terminals -- or Pier 66 there, that
7 area for the bus lot, which is a little bit clearer on page No.
8 4? On page No. 4 there, in the very front of the building where
9 you see that Orange taxicab, that entire bus lot, we are able at
10 this point to put three coaches back to back along the inside of
11 the curb. The area that's underneath the cover there, we will
12 put three coaches, which are generally the short excursions, and
13 those coaches generally come in first or very early in the
14 process.

15 So at that particular point, you will have as many as
16 six coaches in that area. Plus in front where the Orange Cab
17 is, that entire area will be just absolutely jam-packed with
18 passenger vehicles for picking people up.

19 And then if you go to Item No. 6, page No. 6, which
20 is a view looking north on Alaskan Way, right by the driveway
21 there, the break where that coach is out on the lane, from there
22 on back to (indicating) --

23 Q. Next to the double yellow line?

24 A. Yeah, the coach next to the double yellow line.

25 Q. Okay.

0083

1 A. Where that first black car is going north on Alaskan
2 Way, that will be nothing but taxicabs all the way back past The
3 EdgeWater Hotel, past Wall Street there, so...

4 And with all the cabs there, the buses coming into
5 the lot, with all of the passenger vehicles coming to pick up,
6 it gets just horrendously (indicating) --

7 Q. Let me just interrupt your line of answer for just a
8 second --

9 A. Okay.

10 Q. -- because it fits here.

11 Do you see that if Shuttle Express were granted
12 authority to serve the rest of King County besides the airport,
13 that that could help alleviate that taxicab jam?

14 A. I think it would because -- yeah.

15 Q. Okay. Why don't we jump to Pier 91 --

16 A. Okay.

17 Q. -- and just remind you the question was issues with
18 multiple grants of authority, both if Capital were granted
19 authorities over Shuttle Express.

20 A. Okay.

21 Q. I'm on page 8 of 10.

22 A. Right.

23 Q. Actually, I think maybe page 9 of 10 is a better
24 depiction.

25 Why don't you start out by describing the layout

0084

1 there, the entrance lanes and the parking spots, that are shown
2 on this photo.

3 A. Okay. On page No. 9, what you have is basically an
4 aerial view of the passenger vehicles that would be on the
5 left-hand side underneath that canopy. The coaches on the
6 right-hand side with the slots that you can see there, those
7 slots are numbered alphabetically A through T, I believe it is.
8 Slots A and B are reserved for the parking shuttle that takes
9 guests over who park beyond the map here (indicating).

10 Q. That would be for private vehicle parking?

11 A. Private vehicle parking.

12 Q. Yeah. That's shown on Exhibit -- or on page 1, I
13 believe, does it not? Let's just get that identified for the
14 record.

15 A. On page 1?

16 Q. Page 1, the front page.

17 A. Let me flip back here.

18 Yes, that orange area (indicating).

19 Q. The triangle? Almost a triangle?

20 A. Yeah.

21 Q. The top lot?

22 A. Where it has the Magnolia Bridge, yes.

23 Q. Okay. Thank you. Okay. Now, back to page 9.

24 A. Page 9, going back, A and B -- Slots A and B, they're
25 numbered from bottom to top. A and B are for that shuttle to

0085

1 the parking lot; C through Q are used by the airport coaches,
2 Gray Line, who's our primary carrier; and R is kind of open for
3 grabs by anybody. S and T are assigned to Shuttle Express, if
4 my memory serves correctly (indicating).

5 Q. Okay. Where are the Gray Line coaches going to from
6 Pier 91, Slots C through Q?

7 A. With the exception of the coaches that we pull in
8 there, generally down in the R -- P, Q, R area there, they're
9 all going to the airport. We put the short excursion coaches
10 down in that area, the P, Q, R range down there (indicating).

11 Q. And if Capital Aeroporter were granted authority,
12 where would they be able to park their vehicles?

13 A. In that slot, R, if it wasn't occupied by something
14 else.

15 Q. So they just would have the one slot available to
16 them?

17 A. Along with everybody else that might pull in there.

18 Q. And is there room to make another slot for Capital
19 Aeroporter at the present time?

20 A. Not at this time, no.

21 Q. What size are the ships that come into these piers,
22 66 and 91? How many passengers?

23 A. Okay. On Fridays -- let's take Pier 66 first. Pier
24 66 on a Friday, you have the INFINITY, CELEBRITY INFINITY.
25 Normally, we'll put around twenty-two -- between twenty-two and

0086

1 2300 guests on that ship.

2 On Saturday -- or excuse me. Let's go to Saturday.
3 Norwegian has pulled the STAR, NORWEIGIAN STAR, and is putting
4 in the NORWEGIAN JEWEL, which will be, if it's like the PEARL,
5 about close to 2900 to 3,000. The PEARL on Sunday, NORWEIGIAN
6 PEARL, is also -- we put in 2900 to 3,000 on a regular basis.

7 Okay. On Pier 91 -- or Terminal 91, you have on
8 Friday, Royal Caribbean's RHAPSODY. Again, that's twenty-two,
9 twenty-two fifty, somewhere in that change.

10 Saturday you have Princess. And depending on which
11 of the ships that has the spoiler on the back, as we call it,
12 they are in the 3,000 to 3200 range.

13 The Holland Americas that are on the other side of
14 the pier, they are in the 2900 to 3,000 range.

15 Q. And at Pier 91, my understanding is that two ships at
16 once might berth, which would mean you could have over 5,000
17 passengers embarking and debarking?

18 A. That is correct.

19 Q. And are you familiar with Shuttle Express's
20 32-passenger vans that serve the terminals, the cruise
21 terminals?

22 A. If those are the longer ones that have limo on the
23 side, I believe it is, yes.

24 Q. If you assumed hypothetically that Capital Aeroporter
25 would be able to come into the terminal to serve the airport

0087

1 with mostly 11-passenger vans, would that really make much of a
2 dent in transporting passengers, 5,000 passengers, most of them
3 going to the airport all at once?

4 A. I don't think so.

5 Q. Would it create any problems to have those smaller
6 vans in there, perhaps in lieu of -- you know, you said that one
7 spot could be used by Shuttle or Capital hypothetically.

8 Which would you prefer to see in there?

9 A. I'd prefer to see Shuttle.

10 Q. Do you have any other reason for preferring Shuttle
11 for service to the airport?

12 A. One of the things that impresses me is their
13 organization. It is organized.

14 We have a number of people -- like I don't have an
15 exact number, but we have a number of people that will come out
16 and show us a voucher for a shuttle that they have paid for,
17 which apparently brought them to the pier to begin with.

18 Q. Now, just to be clear, you're not talking about
19 Shuttle Express now?

20 A. No, no.

21 Q. Thank you.

22 A. It could be, you know, Jim's, Jim's Shuttle, or, you
23 know, whatever -- whatever the company is, and they will show us
24 this voucher and say, "Okay. Where do I pick this up?"

25 And we'd tell them, "You'll have to go down to the

0088

1 end, and they'll be down there probably in Slot R."

2 Sometimes we have even seen them just pull around on
3 the end, pick up a couple of people and go, and sometimes we
4 have seen them over in the passenger area right at the -- as
5 you're looking at No. 9, right there at the top of the picture
6 before the crosswalk. So they -- these other vans will pick up
7 just about anywhere (indicating).

8 Q. Mr. Groesbeck, I know it takes a long time to come
9 down here, and we really appreciate you coming down to support
10 this application.

11 MR. HARLOW: I have no further questions, Your Honor.

12 JUDGE LOVINGER: Thank you.

13 And, Mr. Fricke, do you have any questions for this
14 witness?

15 MR. FRICKE: I do.

16 JUDGE LOVINGER: Thank you. Proceed.

17

18 C R O S S - E X A M I N A T I O N

19 BY MR. FRICKE:

20 Q. Mr. Groesbeck, you indicated that there are obviously
21 large numbers of people that move in and out of these terminals
22 and on and off the cruise ships and that a number of these
23 people are transported by charter buses.

24 Are all these charter buses operated through you or
25 through Gray Line?

0089

1 A. No. You will have groups -- for example, Titan Tours
2 will bring in anywhere from 125 to 250 guests. They arrange
3 their own transportation, whether it's -- you know, I don't
4 know -- whatever carrier they choose to use. So we are not
5 aware of -- which can be a problem for us at times -- as to
6 who's coming in when and by whom.

7 Q. And where are these other charter carriers, large or
8 small, directed to load or unload?

9 A. At Pier 66, if it's in the debark time in the
10 morning.

11 As I've said, we have been taking them down to the
12 area around Anthony's. That isn't going to happen this year,
13 and we haven't quite figured out how we are going to handle
14 that.

15 At Terminal 91, those large coaches, they do come
16 into the bus lot. Normally we'll put them -- if you notice the
17 lamppost there in the middle, we'll put them on above that. So
18 anything after about L, M slot, somewhere in there (indicating).

19 Q. Okay. You also indicated earlier that when people
20 come out, I'm assuming off the ship, that they ask, "How do I
21 get to various places in King County?"

22 How about -- and are there questions about beyond
23 King County?

24 A. Not that I know of. It's just been basically beyond
25 the City of Seattle: Bellevue, Issaquah, down south, Renton,

0090

1 that area.

2 Q. Are there passengers who travel on the cruise ships
3 beyond King County?

4 A. I would presume so.

5 Q. Okay. You indicated that you would be interested in
6 transportation to various parts of King County, at least, and
7 the application of Shuttle Express is to provide, as I
8 understand it, on-demand transportation, which could be door to
9 door as well.

10 And in that door-to-door transportation, if that, in
11 fact -- as similar to their airport transportation-required vans
12 rather than large numbers of people coming from a hotel or
13 whatever, so, you know, quite probably they would have van
14 services that would provide this as well.

15 And so you indicated earlier you thought that van
16 services would not be the most desirable.

17 MR. HARLOW: Is that a question?

18 BY MR. FRICKE:

19 Q. Is that correct?

20 A. Well...

21 Q. Or that buses would be more desirable?

22 A. If you are -- if the question is: Would vans take up
23 more space? Not knowing how the internal operations of Shuttle
24 Express is than with the -- the amount of equipment they have.
25 And if you go back -- I don't know where does Shuttle Express at

0091

1 91 stage their vans.

2 We stage our coaches -- I'm going to go back a page.
3 On No. 8 of No. 10, if you look at the top there in the middle
4 where the waterway is, you'll see those -- the parking area
5 there with stripes. That is where we stage all of our coaches.
6 That is where all of the semis for the stores are staged, and so
7 I can't answer -- I don't know the answer to where Shuttle
8 Express stages their additional coaches or vans, but
9 (indicating)...

10 Q. Okay. I understand you might not necessarily know
11 the answer to that.

12 Now, there's a notation earlier or an indication, as
13 I recall, on your part that you felt that if transportation
14 services were provided to people throughout King County, that
15 that would reduce the number of cabs in the line at -- on
16 Alaskan Way there at Terminal 6 [sic].

17 On what basis would you come to that conclusion?

18 A. The number of guests that -- like I say, we get -- we
19 get requests almost every ship day for transportation other than
20 the airport. The guests assume that these buses out there are
21 going someplace else.

22 With the availability of vans or Town Cars or
23 whatever, they might be to move these guests to points outside
24 of the city, and knowing that these were available, that that
25 would reduce the number of cabs. And we would, in my opinion,

0092

1 also reduce the number of passenger vehicles that are on Alaskan
2 Way or in the slots for Terminal 91. So, essentially, we'd cut
3 down the number of vehicle trips.

4 Q. And there would be a place for these vans to be
5 assigned a place that people could relate to or find them?

6 A. That -- for example, at Pier 66, if there was that
7 question, Shuttle Express is normally, as pointed out earlier
8 from -- on page No. 3, where that coach is, down through almost
9 to Anthony's or to that break at the end of the building there.

10 And at Terminal 91, they're in Slots S and T, so that
11 there -- there's dedicated space there already (indicating).

12 Q. So you have assignment of space at either piers
13 that's off-street, but on-street, who makes space available on
14 the street?

15 A. As far as I know -- and I'm not totally positive, but
16 as far as I know, that's done either through the Port of Seattle
17 or through CTA, Cruise Terminals of America.

18 Q. Okay. I want to go to the other end of the airport.

19 And does your company check in the people at the
20 south end of the airport prior to their voucher charter groups
21 coming into the piers?

22 A. By "check in," you mean what?

23 Q. Well, do you -- do you process the people who come in
24 that go onto charter coaches to the piers from the airport?

25 A. Okay. Using the word "charter" is not exactly what I

0093

1 would call it.

2 We have "meet-and-greet people," as we call them, all
3 through the terminal from the north all the way down to the
4 south end. We have a number of "air/sea guests," as they are
5 called, where the cruise line will book their air, and then they
6 have a voucher for transportation from the airport to the pier,
7 whether it's 91 or 66.

8 Our meet-and-greet people will take those people to
9 the south end, Door 00, which is the very far south end, and we
10 have trucks that their baggage goes on. They have the voucher
11 for their transportation to the pier, we put them on the coach,
12 and send them to the pier.

13 Q. And then are there people who come in who are not
14 vouchered in that manner, and if so, how are they directed?

15 A. We do have -- our staff at -- at Sea-Tac, do have the
16 ability to sell transfers to the pier.

17 Q. In that same voucher form or in a different manner?

18 A. Well, as the guests are coming into the airport, they
19 already have a voucher for the transportation to the pier. Our
20 staff has the capability of selling a voucher, if you will,
21 ticket, to the pier.

22 MR. FRICKE: Okay. Thank you.

23 JUDGE LOVINGER: Does Commission Staff have any
24 questions of this witness?

25 MS. CAMERON-RULKOWSKI: Oh, yes, Your Honor. Thank

0094

1 you.

2

3

C R O S S - E X A M I N A T I O N

4 BY MS. CAMERON-RULKOWSKI:

5 Q. It's been very helpful hearing your testimony. Thank
6 you for coming down today.

7 A. Thank you.

8 Q. I have a couple, I would say, clarifying questions.

9 A. Okay.

10 Q. So is it correct to say that you do not assign the
11 parking spaces or the stopping spaces at Pier 66 or the slots at
12 Piers 90 and 91?

13 A. Okay. Take 66 first, okay? No, I do not. That,
14 as -- as I understand it, has been through CTA, Cruise Terminals
15 of America, through the Port. I'm not sure exactly how that
16 works.

17 At 91, it's similar, except that we designate which
18 coach goes into which slot, depending upon which ship it is.
19 And it used to be until this year that Sea-Tac -- we would split
20 our guests between north and south terminals, depending on what
21 airline they were going to.

22 This year, with the opening of the garage, the rental
23 car facility at the airport and the rental cars are taking over
24 the north -- what used to be the "North Lot," as we called it --
25 and everybody now will be going to the piers from the south

0095

1 terminal, or "Door 00," as it's called, and the same way going
2 back. All of the coaches will go to the south lot and drop off
3 at Door 00 at the airport.

4 Q. I'm going to stop you for a second.

5 A. Absolutely.

6 Q. Can we please look together at page 9 of Exhibit
7 NG-1? And when I'm looking at this, let's say we call the top
8 of the page "north" --

9 A. Okay. Which it is.

10 Q. -- and the bottom of the page "south."

11 Perfect. So when you're talking about a "south lot,"
12 can you orient that for me? Where it basically --

13 A. Okay. This is at the airport.

14 Q. Oh, at the airport?

15 A. Your question was about the airport.

16 Q. Okay.

17 A. Sorry.

18 Q. That wasn't clear to me.

19 A. Okay.

20 MR. HARLOW: Mr. Fricke brought this. I don't know
21 what number this is --

22 MS. CAMERON-RULKOWSKI: What exhibit is that?

23 MR. HARLOW: -- but we can hand this to the witness.

24 Do you know what it was numbered, Mr. Fricke? It's
25 the airport diagram.

0096

1 JUDGE LOVINGER: It's JF-3.

2 MR. FRICKE: 3, JF-3.

3 BY MS. CAMERON-RULKOWSKI.

4 Q. Okay. We can go back to that if we need to, but I
5 think -- let me go back to page 9 of NG-1.

6 Just so that I'm clear, I cannot see letters on my
7 exhibit. And so does the -- A through Z, the slots, does A
8 begin at the south end --

9 A. Yes. They're -- the slots are not actually --

10 Q. Just a sec. Let me just finish my question so the
11 court reporter can get it.

12 A. Sorry.

13 Q. So the A slots are at the south end, and the Z slot
14 is at the north end; is that correct?

15 A. Yes. It goes through "T," Tango.

16 Q. Through T?

17 A. Yes. Where they're actually lettered, if you see at
18 the center of each slot, there's a yellow sign, and that is
19 how -- where they are lettered.

20 Q. Okay. And so these -- these -- when you designate
21 which coach goes into which of these slots, that sounds like
22 that's a semipermanent designation.

23 Can you explain that?

24 A. Here, again, depending upon the ship. When you have
25 the two ships, generally you will have the -- one ship,

0097

1 generally Holland America, will be in the slots before the
2 lamp -- the light post there where you see that there.
3 Generally, Princess will be all the rest of those slots going up
4 to R. When we have -- again, with Royal Caribbean.

5 And Holland, it's the same way. Holland will have
6 those slots up to the light pole, and we'll take the slots
7 beyond the light pole up to R (indicating).

8 Q. Thank you. And so would it be fair to say that if
9 you could find parking for additional types of vehicles that
10 transport more passengers than a standard taxi does, that you
11 would be in favor of having those additional multipassenger
12 vehicles reduce the traffic congestion around all of the piers,
13 all of the cruise ship terminal piers?

14 A. Well, the operative word there, if you can find them.
15 As it stands right now, R, Slot No. R, which would be the third
16 one down from the top, is the only slot that is available for
17 use by any other carrier. So if they could get in there when
18 nobody else was there, because that slot is up for grabs by
19 anybody that comes in.

20 Q. And is it through a particular -- is it through a
21 formal agreement with carriers that you assign the slots, or is
22 that more informal?

23 A. It is actually, as I understand it, been operated
24 through CTA as to how the slots are allocated.

25 Q. And let me clarify. Sorry. I was talking about the

0098

1 cruise terminals, 90 and 91.

2 A. Yeah.

3 MR. FRICKE: Yeah.

4 THE WITNESS: Yes.

5 BY MS. CAMERON-RULKOWSKI:

6 Q. So in your experience, would you say that it's true
7 that the bulk of cruise passengers arrive via chartered
8 transportation?

9 A. No. You take -- I'm trying to think this through
10 here.

11 For example, if you take Royal Caribbean, for which
12 I'm pier supervisor, our transportation to and from the airport
13 usually runs in the mid 400s out of 2200. So 400 roughly every
14 given day -- or any given day that 400 hundred of those people
15 coming to the ship and off of the ship are to and from the
16 airport.

17 The variation on that theme is that a number of the
18 people that come from the airport will pick up a -- some kind of
19 an excursion. But, eventually, they do end up back at the
20 airport, so the actual numbers to and from the airport direct
21 change, but the actual overall number would be about the same.

22 So 200 -- or 400 out of 2200. Everybody else is
23 getting there some other way.

24 Q. And when you say -- I believe you said "our"
25 passengers.

0099

1 Do you mean -- who's organizing the charter
2 transportation for these 400?

3 A. That is -- that is through the ship through us.

4 Q. Thank you.

5 MS. CAMERON-RULKOWSKI: Thank you. I have no further
6 questions.

7 JUDGE LOVINGER: And, Mr. Harlow, do you have any
8 further questions --

9 MR. HARLOW: No further questions.

10 JUDGE LOVINGER: -- of this witness?

11 Mr. Fricke, do you have any additional questions?

12 MR. FRICKE: Yes, follow-up, with Mr. Groesbeck.

13

14 R E C R O S S - E X A M I N A T I O N

15 BY MR. FRICKE:

16 Q. When you indicated that -- at the airport that your
17 meet-and-greet people for people who do not have vouchers can
18 sell them tickets, sell them tickets for transportation by whom?

19 A. By -- through TMS Gateway, actually using one --
20 using one of our Gray Line coaches.

21 Q. And are these tickets sold on an individual basis,
22 then?

23 A. Yes.

24 Q. So under what authority are you transporting them on
25 your coaches?

0100

1 A. By the fact that they -- they have approached us to
2 purchase transportation to the pier.

3 Q. So if I understand right, the tickets you sell, plus
4 the vouchers that have already been sold to these people on an
5 individual basis are all put on a coach, and then -- or coaches
6 and then taken to the piers?

7 A. That is correct.

8 Q. I guess I'm trying to understand under what UTC
9 authority that you would be making that transportation on
10 individually paid vouchers to get to the piers.

11 A. Um...

12 Q. Or individually paid tickets.

13 A. That is a question for which I do not have sufficient
14 information to answer. I don't know.

15 MR. FRICKE: Okay.

16 JUDGE LOVINGER: Are there any other questions?

17 Mr. Groesbeck, thank you very much. You're excused.

18 THE WITNESS: Thank you.

19 JUDGE LOVINGER: I'm also going to take a recess at
20 this time for 15 minutes. Give you a little break to walk
21 around.

22 MR. HARLOW: Thank you, Your Honor.

23 (A break was taken from 11:00 a.m.
24 to 11:20 a.m.)

25 JUDGE LOVINGER: We'll go back on the record now.

0102

1 JUDGE LOVINGER: I would like to read into the record
2 now all of the exhibits that have been admitted. If everyone
3 will bear with me for a few moments.

4 From the Commission Staff, we have JR-1, Shuttle
5 Express Certificate C-975; JR-2, Order M.V.C. No. 1809, granting
6 auto transportation certificate to Shuttle Express, served April
7 21, 1989; PI-1, Penny Ingram, WAC 480-12-081, Commercial Zones
8 Defined from 1997; PI-2, Penny -- this is the GIS map reflecting
9 Shuttle Express's authority from first page of Certificate No.
10 C-975; and DG-1, from David Gomez, Evergreen Trails, Certificate
11 No. C-819.

12 (Exhibit No. DG-1 was admitted into the record.)

13 From Shuttle Express, we have JR-3, which is WUTC:
14 Application of Shuttle Express; JR-4, WUTC: Certificate of
15 Shuttle Express; JR-5, Shuttle Express Customer Brochure; JR-6,
16 Trax Press Release. That's T-r-a-x; JR-7, Photo of DriveCam;
17 JR-8, Photos of Propane Fueling Tank; JR-9, Photos of Drivers
18 and Vans; JR-10, Photo of Dispatch Screen; NG-1, Photos and Maps
19 of Cruise Terminals.

20 (Exhibit No. NG-1 was admitted into the record.)

21 And from Pacific Northwest, we have JF-1, WUTC:
22 Application of Pacific Northwest Transportation Services, Inc.,
23 d/b/a Capital Aeroporter; JF-2 WUTC: Certificate-862 of Pacific
24 Northwest Transportation Services, Inc., d/b/a Capital
25 Aeroporter; JF-3, Photos and Maps of Sea-Tac Airport; JR-12,

0103

1 WUTC Docket TC-110801; and JF-4, Photos of Vans.

2 MS. CAMERON-RULKOWSKI: Your Honor, at the risk of
3 complicating things further, we could withdraw Staff's first
4 exhibit, JR-1, because it's a duplicative of Shuttle Express's
5 exhibit...

6 MR. HARLOW: JR-4.

7 MS. CAMERON-RULKOWSKI: Thank you.

8 JUDGE LOVINGER: Okay. I'm not going to renumber it.
9 I think we'll just mark that as withdrawn. Thank you.

10 (Exhibit JR-1 was withdrawn.)

11 JUDGE LOVINGER: Okay. I think we are ready to
12 proceed.

13 Is there any other preliminary business before we get
14 back to taking testimony?

15 MR. HARLOW: No, Your Honor. Shuttle Express calls
16 Mr. John Rowley.

17 JUDGE LOVINGER: Mr. Rowley, please raise your right
18 hand.

19

20

JOHN ROWLEY,

21 witness herein, having been first duly sworn on oath, was

22

examined and testified as follows:

23

24

JUDGE LOVINGER: Thank you. Please be seated.

25

////

0104

1 D I R E C T E X A M I N A T I O N

2 BY MR. HARLOW:

3 Q. Thank you, Mr. Rowley.

4 Please state your name for the record.

5 A. John Rowley.

6 Q. Is your microphone on?

7 A. John Rowley, R-o-w-l-e-y.

8 Q. And who's your employer and what's your position?

9 A. Shuttle Express, and I'm the president.

10 Q. And what are your duties as president of Shuttle
11 Express?

12 A. I run the -- the operation, marketing, sales, pretty
13 much take care of the business for our owner.

14 Q. And would you please provide us with your work
15 history at Shuttle Express?

16 A. Yes. I've been at Shuttle Express for 22 years.
17 Prior to that time, I was with San Juan Airlines. San Juan
18 Airlines helped form Shuttle Express. We really wanted to
19 emulate the professionalism of an airline. Twenty-two years
20 ago, we started with 18 vans, and we have grown to over a
21 hundred vans now. Fifteen buses. We have 250 employees.

22 Q. Would you please provide a brief history of Shuttle
23 Express in kind of a regulatory approach? The permit that you
24 have? The restrictions that have come and gone? The
25 acquisitions?

0105

1 A. As was already indicated in this proceeding, our
2 first certificate was in 1989. We purchased a couple of
3 operators' operations. Actually, one was Everett and Ease
4 (phonetic) in the mid '90s. We also purchased Suburban --

5 Q. I'm sorry. As you go through them, the purchases,
6 would you describe the authority in general?

7 A. Sure.

8 Q. Thank you.

9 A. Ease Airport (phonetic) was scheduled service between
10 Everett up north through Lynnwood and the U-District to Sea-Tac
11 Airport. Suburban was purchased in the mid '90s. Suburban
12 entailed the east side of the Puget Sound -- Kirkland, Issaquah,
13 into Bellevue, Renton -- all to Sea-Tac Airport on a
14 scheduled-service basis.

15 Q. Thank you.

16 A. We also -- if I can continue?

17 Q. Oh, yep. I'm sorry.

18 A. We recently purchased the Downtown Airporter
19 authority last year, December 23rd, and that consists of
20 downtown Seattle hotels to Sea-Tac Airport.

21 Q. Did you purchase all of the Sea-Tac authority from
22 Gray Line?

23 A. No. We did not purchase the portion between the
24 piers and Sea-Tac Airport since we already had that on our
25 certificate.

0106

1 Q. Do you have in front of you Exhibit JR-3?

2 A. Yes, I do.

3 Q. And is that your certificate, your current
4 certificate -- excuse me -- JR-4?

5 A. Yes. JR-4 is our current certificate.

6 Q. Do you have an opinion as to whether or not your
7 current service is serving the public interest in the State of
8 Washington?

9 A. Yes, I do. We are currently servicing to the extent
10 of the certificate.

11 Q. And what are some of the reasons that you believe
12 your service is in the public interest?

13 A. Well, we have a very high service ratio. We service
14 people 99.8 percent of the time with good service. We actually
15 calculate the number of complaints that we have compared to the
16 number of rides that we give, and to my knowledge, we have no
17 complaints on file with the UTC. Wherever possible, we continue
18 to add vehicles and drivers to meet the demands as the demands
19 grow or subside throughout the time.

20 Q. Do your operations have any impact on the number of
21 vehicles on the roadways?

22 A. We do. It's a bit of a marketing piece, but we do
23 remove people from the road by virtue of taking them instead of
24 their family taking them. If their family takes them, they have
25 to go back and forth four times, where in our situation, we

0107

1 actually carpool, so we only use twice, and we can eliminate
2 people that way. Counts can be as high as 800,000 to over a
3 million trips that we have taken off the road, depending on how
4 you calculate how many people park and how many people get taken
5 by their family members.

6 Q. What about cabs? Do you help reduce the number of
7 cabs on the road?

8 A. Absolutely. Again, we're a carpool company, a ride
9 share, so that we're picking up on average three different
10 parties with one trip and by that way, we reduce the congestion
11 on the roadways.

12 Q. Has Shuttle Express ever had a fatal accident in
13 its --

14 A. Never.

15 Q. -- 20-plus year history?

16 A. Never has had any fatal accident, correct.

17 Q. And I notice sitting next to you there is a plaque.

18 Would you please describe that for the record? Maybe
19 hold it up.

20 A. This is one of several 400-point risk control awards,
21 and we are members of an insurance company that has 40 other
22 operators. And for the past -- I believe this is number 7 -- we
23 have received this award because we are the best of this
24 particular group. And in this group, we only take the best with
25 us, so we like to say that we're the best of the best.

0108

1 Q. Does this have any -- the plaque you just held up
2 there, any relationship to Exhibit JR-6?

3 A. Yes, it does. This is what we have received. This
4 is a newsletter or article -- rather, a press release that was
5 released. And you can see the years that we have -- one, two,
6 three, four, five -- six years, plus we won in 2011, making it
7 seven.

8 Q. Why isn't 2011 shown on Exhibit JR-6?

9 A. It has yet to be actually awarded. It's
10 formalized -- it will be formalized in July at our board
11 meeting.

12 Q. Okay. But someone's told you you've qualified?

13 A. Yeah. The end -- the scoring is actually done at the
14 year-end.

15 Q. If you would turn, please, to Exhibit JR-5, does this
16 exhibit provide an overview of your -- both your regulated and
17 nonregulated operations?

18 A. It does. It's a brochure.

19 Q. And do you try to integrate the company operations
20 for efficiency between regulated and nonregulated as permitted
21 by regulation?

22 A. We do. We offer all services that we can to the
23 traveling public to offer them different choices.

24 Q. Okay. Turn next, please, to Exhibit JR-7.

25 Can you tell us what this nifty device is?

0109

1 A. This is called a "DriveCam" unit. This, in part, is
2 the reason behind -- we have been able to receive so many
3 awards, safety awards. This will actually record an event
4 happening in the vehicle so that -- and, actually, gravitational
5 forces will set it off and capture ten seconds before and ten
6 seconds after an event.

7 Q. Can you give us -- first of all, let's break this
8 down.

9 Can you give us an example of an event?

10 A. So an event would be hard braking, for instance, or
11 perhaps an accident, somebody running into us. And --

12 Q. What about a swerve or a fast corner?

13 A. Yes. A swerve or fast corner would set it up as
14 well.

15 Q. Okay. And when you say "record," what exactly does
16 it record?

17 A. It records out the front so that it sees vehicles
18 and/or traffic out through the front window. It also records in
19 back so that with a different view, you can look and see what
20 the driver might have been doing at the time of the event.

21 Q. And how does this work, in your experience, to
22 improve safety?

23 A. It's worked very well for us. We use it to help
24 coach our drivers. If they do set it off, they have to download
25 it. One of our managers speaks with the driver, and then

0110

1 coaches the driver on what they can do to help not do it next
2 time.

3 We also are tied in --

4 Q. May I just stop you for a second?

5 Does it have a deterrent effect, then, in your view?

6 A. It really has. And -- and, again, I think that goes
7 back to why we have done so well with our awards, and it's also
8 greatly reduced our premiums, because our claims aren't as high
9 and we pass those savings on down by keeping our rates low.

10 Q. When did you implement the DriveCams?

11 A. They would have been implemented, I would think, in
12 two thousand maybe eight.

13 Q. And what was your experience in terms of your
14 accident grade after the implementation of the DriveCam?

15 A. Twofold. Initially, we saw them go down, but it was
16 one more step that we took that really helped it, our
17 behavioral-based safety program. When people actually had a
18 preventable occurrence, we would use that to help manage whether
19 or not the people belonged in our company. And if they set a
20 behavior that they continued to have preventable occurrences, we
21 removed them from the company. And that greatly helped our --
22 our driving behaviors.

23 Q. Switching gears a little bit to public need -- and
24 let me focus you on your current operations.

25 What public need do you perceive your current

0111

1 operations are serving? How does your operation benefit the
2 public interest?

3 A. Right now, we -- we supply all door-to-door service
4 in Pierce, King, and Snohomish County. We also have charter bus
5 service point to point. We have wine tours. And, obviously,
6 taking people to the piers and from the piers, and we service
7 all of the hotels in downtown Seattle and downtown Bellevue.

8 Q. And I'd like to ask you to turn, please, to Exhibit
9 JR-9.

10 What are these photographs?

11 A. This is interaction between our driver on the right
12 with the tie, and a guest on the left.

13 Q. The same thing on the other one?

14 A. Oh, I'm sorry. There's a second page?

15 Q. Yeah, it's a two-page --

16 A. Yes. That would be at the end of the trip at Sea-Tac
17 Airport with a couple of guests.

18 Q. And, if you will, compare your transportation
19 services to that of, say, a taxicab.

20 A. Again, from an operational standpoint, we pick up
21 different parties in one trip as opposed to a single trip that a
22 cab may do. But more than likely what you're wanting to get at,
23 is the fact that our drivers are also uniformed and wear ties
24 and are very professional. Again, that stems back, clear back
25 to our beginnings with the airline and -- and being one notch

0112

1 above everyone else in the area.

2 Q. What does this do for the public perception of your
3 service?

4 A. They take it quite well. In fact, you know, another
5 situation that often arises is at two to three in the morning
6 when a driver is knocking at the door of a guest, it's very
7 helpful that they are in uniform and in their tie because they,
8 the guest, then, is relieved that it's not somebody that they
9 don't know.

10 Q. And you indicate from that answer, I guess, that
11 drivers come to the door.

12 Explain that to us, would you?

13 A. Yes. Our service is that -- and part of the service
14 that we provide is our drivers carry all luggage, and they
15 insist that they have to carry the luggage. In fact -- and
16 there have been numerous stories of how people have -- our
17 drivers had carried luggage up and down flights of stairs for
18 elderly ladies and -- and, in fact, in the recent snowstorm as
19 well, our drivers had -- couldn't make it to where they needed
20 to go, so they parked and carried the luggage, escorting the --
21 this person -- what I'm thinking of -- the person to their home
22 carrying their luggage.

23 Q. If you're granted authority to provide door-to-door
24 service to the piers, would you provide that same service?

25 A. Absolutely. It needs to be consistent throughout our

0113

1 operation.

2 Q. How often do you clean your vans?

3 A. They're cleaned after every shift. Each driver is
4 required to wash and vacuum their van, and so it -- a van may be
5 cleaned twice a day, since it goes out with two drivers.

6 Q. Okay. And do you have any comparison between your
7 share ride service and that of others across the country?

8 A. I do. We belong to a national organization called
9 "The GO Group," and our reputation among that GO Group is that
10 we are one of the best. Personally, I think that we are the
11 best, and since there are no other share ride operators in the
12 world, I would say that we are best in the world.

13 Q. Thank you. If you would next turn, please, to
14 Exhibit JR-8.

15 And what is that? What do those two photographs
16 depict?

17 A. This is a shot -- the first one is of a propane tank
18 that we have installed on our lot, our base in Renton. The
19 second picture is a driver actually fueling the propane vehicle.

20 Q. And why do -- well, let's back up.

21 How many of your vehicles are fueled by propane
22 presently?

23 A. We have -- I believe it's up to 40 now, with four
24 more on the way within the next couple days. Sixty percent of
25 our trips last month were utilizing propane, which is the

0114

1 highest it's been. We plan to be at 95 percent by June.

2 Q. And what are the reasons you are using propane in
3 more and more of your vehicles?

4 A. At least two reasons. First, it's a -- propane is
5 one the most clean burning fuels there is, actually better than
6 CNG.

7 Q. Would you spell out "CNG," please?

8 A. Compressed natural gas.

9 Q. Okay.

10 A. Secondly, the propane is a much less expensive
11 fuel than gasoline. Propane has been running at about a dollar
12 forty-eight a gallon recently, which is quite a bit lower than
13 the gasoline prices, which, again, allows us to keep our prices
14 down to the traveling public.

15 Q. And when you say that the propane is "cleaner," do
16 you have any knowledge of the carbon dioxide emissions of your
17 propane vehicles compared to gasoline?

18 A. I have reviewed the certificated --

19 Q. And I don't need an exact number.

20 A. Yeah. I reviewed the certificated sheets presented
21 to me by the industries, and it definitely is less.

22 Q. Less for which one?

23 A. For propane than gasoline, yes.

24 Q. Thank you for clarifying that.

25 And what's your overall sense of how the public

0115

1 receives your -- or views your service to and from the airport?

2 A. The majority of our customers are repeat customers.
3 They love us, which I tell our drivers is a -- is a great job,
4 because it's an easy job because everybody likes Shuttle
5 Express. And they, of course, are rewarded with tips, and we
6 have a tremendous reputation of being -- servicing the area
7 since 1987.

8 Q. I'd like you to turn next to Exhibit JR-3, which is
9 your application.

10 And if you could, first kind of give us an overview
11 as to why, what the purpose of this application was.

12 A. This was really for -- as it came to me as clarifying
13 purposes. It's an extension of authority to include all points
14 in King County to waterfront terminals in Seattle.

15 Q. What's your understanding of the current authority
16 that the company has to serve the piers?

17 A. My current understanding is that we do not have the
18 certificated authority outside of the municipality of Seattle to
19 service King County to the piers.

20 Q. What about the airport?

21 A. From the airport, yes, we do have that authority.

22 Q. Was your understanding different last summer?

23 A. Yes, it was. I erroneously, as we found out, thought
24 we had the ability to service Bellevue to the piers.

25 Q. And did you file a tariff to provide service between

0116

1 Bellevue and the pier?

2 A. We did.

3 Q. What happened with that tariff?

4 A. It was enacted or not -- taken away, I guess, and we
5 serviced Bellingham to the piers for a while until I was --

6 Q. Bellingham or Bellevue?

7 A. Bellevue. Sorry.

8 Q. Thank you.

9 A. That's an old airline destination.

10 I was informed by the UTC that that was not correct,
11 and we removed it immediately.

12 Q. Okay. So that's no longer in your tariff?

13 A. That's correct.

14 Q. Do you have a tariff to serve between Seattle and the
15 piers?

16 A. We do.

17 Q. I assume that's a seasonal service?

18 A. Yes, that's correct.

19 (Reporter interruption for clarification.)

20 BY MR. HARLOW:

21 Q. I think we'll skip the permit, since it's been
22 stipulated in.

23 Let's move on to how you would plan to operate the
24 pier services that are contained in your application if it's
25 granted.

0117

1 A. We would like to start similarly to what we had
2 enacted, which would be twice a day on pier days, to take people
3 to the piers from Bellevue on a scheduled flag-stop basis and in
4 this manner, then, we would be supplying service for those
5 Bellevue hotels that have been requesting it.

6 And from there we have been approached as well to
7 service people on a door-to-door basis from their hotel or from
8 their places of residences, and we would look to do that, then,
9 as demand required.

10 Q. Would that be done by reservation?

11 A. By reservation only, correct.

12 Q. And what vehicles would you use to operate the
13 scheduled operations from the Bellevue hotels?

14 A. Similarly to all other -- of our other operations.
15 We supply the vehicles that meets the demand, so in the event of
16 having just a few people, it would be our van. In the event of
17 a large group, we would send one of our 32-passenger buses
18 and -- and use that.

19 Q. So you can adjust your size to the demand?

20 A. Correct, and that saves us on costs and efficiencies.

21 Q. Does that create any efficiencies at the piers where
22 the congestion was described earlier?

23 A. It does most definitely. There is oftentimes where
24 we will take 250 to 300 people out of two spots, and we do it by
25 being flexible. We recently purchased -- I might be getting

0118

1 ahead of you here, Brooks, but --

2 Q. No, keep going.

3 A. We recently purchased ten new buses last year to help
4 us accommodate the acquisition of Downtown Airporter and the
5 cruise ship business. We are up to 15. We are projecting
6 that -- that we may need more again this season, but the
7 combination between buses and vans is what makes us a little
8 more versatile and allows us to operate as efficiently as we do.
9 If there is a group of seven, eight people, we can put them in a
10 van, but primarily we -- we use our buses us to help with the
11 onslaught.

12 Q. Onslaught. What size are those ten new buses you
13 said you bought?

14 A. The bulk of them are 29-passenger, and a few of them
15 are 32-passenger.

16 Q. Will you integrate your new pier operations in with
17 your existing Airporter operations?

18 A. Yes, we will. Again, if the -- the more we integrate
19 our -- our operations, the more efficient we are.

20 Q. Can you describe how you'll do that?

21 A. We will -- those people going to the piers, for
22 instance, are from the airport. As more people book -- and most
23 people book on a prearranged basis, so we know what reservations
24 are coming in -- we will supply a bus, if need be, because of
25 the volume, and a van as well and actually split routes so that

0119

1 we meet the schedule. But we do it in a manner that is most
2 efficient so that we don't have to drag people through all of
3 the different stops.

4 So in the case of the piers, for instance, we would
5 go direct to -- from Sea-Tac to the piers with our bus when we
6 have that load.

7 Q. I would like us to turn to Exhibit JR-10, please, and
8 describe at a high level what this exhibit shows.

9 A. This is simply a snapshot of one our dispatch
10 screens, which aids the dispatcher to assign addresses to our
11 vans.

12 Q. Is this some kind of special software you'd use?

13 A. It is. It's a software that we started using in
14 1986. This particular portion was actually modeled off of
15 software that we had built in-house, and part of our arrangement
16 was that they would in turn rebuild what we had built in their
17 software.

18 Q. Would this software help you to integrate the pier
19 and airport transportation efficiently?

20 A. Yes, most definitely.

21 Q. Okay. And you already described that, or do you have
22 anything to add based on this exhibit?

23 A. Um...

24 Q. I don't want to cut you off or anything.

25 A. No, Brooks. I think that's enough.

0120

1 Q. Okay. How many times a day do you combine groups of
2 passengers roughly on average?

3 A. Well, it's all day. We will operate -- what is
4 it? -- 1200 people, so we're around the five or 600 trips per
5 day. And the -- the trips in the morning are actually
6 established the night before, and then as people show up at the
7 airport, we begin to route on the fly as they come in.

8 Q. And on average, about how many parties are you able
9 to consolidate onto the single vehicle?

10 A. We have an average load factor of just over three.

11 Q. Do you use any mapping technology to help with your
12 operations?

13 A. Correct. That's -- what this indicates, then, it's
14 very visual for a dispatcher to look at and choose the best
15 addresses that go together with one another, and those would
16 become one trip for one van.

17 Q. Do you have any vans or buses on standby or staged at
18 the airport?

19 A. We do. At the airport, in particular, we stage an
20 ADA van in the event a walk-up ADA person comes. Our base is
21 merely 15 minutes away, and we store any unused vehicles at our
22 base in Renton.

23 Q. Forgive me if I already covered this, but I don't
24 have it checked off.

25 How many passengers a year roughly do you handle?

0121

1 A. We carried 600,000 last year, I believe. It might be
2 on my application. I better look.

3 (Witness reviews document.)

4 Close to it, if it wasn't.

5 Q. And let's focus a little bit -- well, first of all,
6 let's describe how your operations look at the airport, for the
7 record.

8 A. A person -- we are located actually apart from all
9 other cruise operators. We're in the third floor of the parking
10 garage, and as people find their way over to us, they either
11 have a reservation beforehand or we book them in the system at
12 that point, which then gives the information to the dispatcher,
13 who then begins to route.

14 At that point they have a seat, and within 20
15 minutes, we move them out on the door-to-door service. On the
16 Downtown Airporter service, that -- that operates every half
17 hour, so on the hour and on the half hour, it will depart.

18 Q. And where in the airport is your facility located?

19 A. It's right smack dab in the middle of the parking
20 garage, which makes it fairly convenient for all locations,
21 because it more or less funnels into the third floor of the
22 parking garage.

23 Q. Do you mean all locations in the passenger terminal?

24 A. Correct.

25 Q. Okay. Do passengers have to go outside and get under

0122

1 the weather to get to your vehicles?

2 A. On the Downtown Airporter -- actually, no. It's in
3 the parking garage, although our airport coordinators, of
4 course, talk about how cold and windy it can be over there in
5 there, but it's not directly in the rain.

6 Q. And would your pier operations operate the same at
7 the airport?

8 A. They would. It would be no different on the -- than
9 the Downtown Airporter piece where they would be picked up on
10 the Island 2 area.

11 Q. Are the 32-passenger buses able to come into the
12 third floor of the garage?

13 A. They are on the Island 2 side, not on the other side
14 where our door-to-door vans pick up.

15 Q. Okay. Are they in the same area as the -- as the
16 hotel shuttles?

17 A. Yes, they are, and our operation -- our spot of
18 business where our coordinators work is in between the two of
19 them.

20 Q. And how many people do you have? What's the range
21 that help guide people to the correct van and bus at the
22 airport?

23 A. Well, yeah, it varies with the season. With the
24 cruise ship time, we'll have as many as six or eight people
25 working out at the airport.

0123

1 Q. And how is your current operation between the airport
2 and the piers? How has that been running?

3 A. Airport and the piers, very well. Our operation
4 worked extremely well with the addition of the ten new buses
5 this past year, and, again, we are moving on some days 250 to
6 300 people to and from the piers.

7 Q. And how do you handle peak loads?

8 A. Peak loads. We watch what reservations are coming
9 seven days out in advance, and we watch each day so that we can
10 see a trend building. And as that happens, we call drivers in
11 extra and -- and/or put different vehicle -- the larger vehicles
12 on when we need to. The entire operation actually works that
13 way as we -- as we plan ahead.

14 Q. And do you have the financial capability to buy more
15 buses and hire more drivers if needed to meet this season's
16 demand?

17 A. We do. We definitely have the financial capability
18 to do that.

19 Q. What's the trend on the cruise traffic over the last
20 couple years?

21 A. It's been growing. This next year is calling for
22 somewhat flat in the terms of cruises leaving now and arriving,
23 so it should be about the same as it was last year.

24 Q. What would you see is the impact of -- if Capital
25 Aeroporter were granted authority to provide this service that

0124

1 you're already providing between the airport and the piers? How
2 would that impact, first of all, the company, and, secondly, the
3 public?

4 A. As far as the -- the company goes, I feel that the
5 congestion that we have at both piers -- space is -- is very
6 valuable. Currently, as it's been witnessed to, we have two
7 spots that we operate out of, and, occasionally, we'll operate
8 out of that third spot if there is nobody else in there. So
9 allowing somebody else in would -- would essentially eliminate
10 that spot altogether.

11 We would like more space to be able to operate even
12 more efficiently. Again, we do -- we do a great number of
13 guests in a very limited space, and we feel that could even be
14 better if we had a little bit more space.

15 Q. Do you have sufficient capacity to handle the
16 passenger demand between the airport and the piers?

17 A. We do. We -- and, again, we are flexible enough that
18 if we need to, we can add more vehicles.

19 Q. Has that -- has your opinion been borne out by your
20 experience so far?

21 A. Definitely. Again, we rise to the challenge. Last
22 year, we bought ten vehicles, and -- and as we put together this
23 year, we may very well purchase more.

24 Q. How does Shuttle Express work with the Port Authority
25 and cruise operators and the -- remind me the name of that --

0125

1 A. Cruise Terminal America [sic]?

2 Q. Cruise Terminal America. How do you coordinate with
3 them to -- for ground operations?

4 A. Well, we're pretty much -- we go where they tell us
5 to. We meet with them and try to establish a relationship where
6 they treat us well. That has not always been the case, as we
7 seemed to be moved around quite a bit.

8 This last year, though, I think we proved to them
9 that we could operate very well, so they seem to leave us alone
10 a little bit.

11 MR. HARLOW: Your Honor, I think I may be done. This
12 would be a good time for a lunch break so I can just review my
13 notes, and perhaps tend to the witness or call -- I certainly
14 may have a few more questions after lunch.

15 JUDGE LOVINGER: I think that's going to be
16 reasonable. I have a feeling there's going to be a lot of
17 questions asked of this witness, so if there's anybody -- does
18 anybody object to taking a break at this time, taking a lunch
19 break?

20 MS. CAMERON-RULKOWSKI: No objection from Staff.

21 MR. FRICKE: No objection.

22 JUDGE LOVINGER: Okay. Then we will be at recess
23 until -- did you want to do something before we...

24 No?

25 We'll be at recess until 1:30. Thank you.

0126

1 MR. HARLOW: Thank you.

2 (A luncheon recess was taken
3 from 12:00 p.m. to 1:34 p.m.)

4 JUDGE LOVINGER: All right. We're going to go back
5 on the record.

6 MR. JOHN FRICKE: He's using the restroom.

7 JUDGE LOVINGER: We're going to proceed with
8 something procedural, though. I don't know.

9 Do you need Mr. Fricke here? Just a numbering.

10 MR. JOHN FRICKE: What's that?

11 JUDGE LOVINGER: Just the numbering.

12 MR. JOHN FRICKE: Oh, yeah, that's fine. That's
13 fine.

14 JUDGE LOVINGER: When we went through when we were
15 renumbering, one of the issues that came up is that because
16 Norman Groesbeck was the person who introduced what had been
17 intended to be JR-11 became NG-1, that would make the exhibit
18 that we had numbered JR-12 that's going to be offered by Pacific
19 Northwest Transportation Services, would become JR-11.

20 If nobody has any objection, I would like to change
21 that on the record, and it'll be changed in the official
22 exhibits list when I put that out.

23 MR. HARLOW: I'm all messed up, because I -- this is
24 Capital's?

25 JUDGE LOVINGER: Yes, that's correct.

0127

1 MR. HARLOW: Because I numbered all those JF. I
2 guess I was...

3 JUDGE LOVINGER: No, the fourth one down.

4 MR. HARLOW: 110801?

5 MS. CAMERON-RULKOWSKI: It's JR-12.

6 JUDGE LOVINGER: WUTC Docket TC -- yes, right.

7 MR. HARLOW: Okay. So that's now JR?

8 JUDGE LOVINGER: 11.

9 MR. HARLOW: And the photos of vans are JF-4, then?

10 JUDGE LOVINGER: That's correct.

11 MR. HARLOW: Okay. Thank you.

12 JUDGE LOVINGER: Is there any problem with that
13 change?

14 MS. CAMERON-RULKOWSKI: No.

15 JUDGE LOVINGER: Thank you.

16 (Exhibit No. JR-12 was re-marked as JR-11
17 and admitted into the record.)

18 JUDGE LOVINGER: We'll go back off the record for a
19 few moments.

20 (Pause in the proceedings.)

21 JUDGE LOVINGER: Okay. Mr. Fricke's back, so we're
22 going to go back on the record.

23 And, Mr. Harlow, I believe you've indicated you did
24 want to ask some more questions of this witness, Mr. Rowley?

25 MR. HARLOW: That's correct, Your Honor.

0128

1 D I R E C T E X A M I N A T I O N (Resumed)

2 BY MR. HARLOW:

3 Q. Welcome back, Mr. Rowley.

4 A. Thank you.

5 Q. Before the break, we started to get into the issue of
6 the access -- the ability to expand your service to meet
7 increased demand, and I think we kind of glossed over the
8 capital question; do you recall line of questions?

9 A. Yes.

10 Q. Okay.

11 A. How it impacted --

12 Q. Is your company -- has it been profitable for the
13 last number of years?

14 A. It has been over the last 20 years.

15 Q. And if you would, please take a look at the
16 application, which is Exhibit JR-3, and in particular page No.

17 4. And these are the fax numbers at the top.

18 And that should be "Section 5 - Financial Statement";
19 do you see that?

20 A. Yes.

21 Q. And it looks like you have assets of about \$4 1/2
22 million and liabilities of \$3 1/2 million?

23 A. That's correct.

24 Q. Giving you a net worth of roughly \$1 million; is that
25 correct?

0129

1 A. That's correct.

2 Q. So between your profitability and your balance sheet,
3 you have access to capital from banks?

4 A. We do.

5 Q. How would you describe your banking relationship?

6 A. We have a very good banking relationship. Our
7 bankers and us have worked together over the years to make
8 things work, particularly through this -- these economic times,
9 and they have our full support.

10 Q. And if you needed to buy another ten buses, for
11 example, do you think you could acquire bank loans to do that?

12 A. Yes, we do. I do.

13 Q. Now, just one final question: Are your vans required
14 to have child seats when children travel as a family?

15 A. That child seat rule is actually a company policy,
16 and one in which we use --

17 Q. No, I'm asking a regulatory question.

18 Is that a regulatory requirement?

19 A. Regulatory is -- is not a requirement.

20 Q. And do you have, in fact, child seats?

21 A. We do, and we also allow people to bring their own,
22 and then we'll store them for them if -- if need be.

23 Q. Okay. Now, please explain the company policy on
24 child seats.

25 A. The company policy is that anybody -- any children

0130

1 under the age of 2 are required to have a car seat. And so by
2 the nature of our reservations that are being booked, we can
3 tell what age the child is, and then we inquire whether they're
4 going to bring their own child seat or whether we can supply
5 them for them.

6 MR. HARLOW: Thank you, Mr. Rowley. That's all the
7 questions I have.

8 THE WITNESS: That's a free service, by the way.

9 MR. HARLOW: Oh, I'm sorry for cutting you off early.
10 The witness is available for cross, Your Honor.

11 JUDGE LOVINGER: Thank you.

12 Mr. Fricke, do you have any questions of this
13 witness, Mr. Rowley?

14

15 C R O S S - E X A M I N A T I O N

16 BY MR. FRICKE:

17 Q. Mr. Rowley, I believe you indicated that your --
18 well, let me ask the question.

19 Is your cruise -- cruise ship or pier service, it
20 departs from the same location, does it, as your Downtowner, at
21 the airport?

22 A. That's correct.

23 Q. And are those services ever intermingled when --
24 especially if you got low numbers of people?

25 A. Yes. We will operate both Downtown Airporter and

0131

1 cruise ship on the same run if -- if need be.

2 Q. Okay. And is it also true that you adjust the size
3 of the vehicle depending on the need at any point in time?

4 A. That's true.

5 Q. Do you have in the holding lot both vans and buses,
6 then, or how do you -- how do you make that determination of
7 changing the level of equipment?

8 A. We have prearranged reservations that we watch to
9 determine on which trips people will be coming in on, and
10 then -- and then do that ahead of time for the most part.

11 We do have vans in the holding area and -- and then
12 our buses are only 15 minutes away. But practically speaking,
13 the buses are pretty much used, and so they're out ready to be
14 used.

15 Q. What percent of your cruise traffic is by reservation
16 versus walk-up?

17 A. I would say -- I don't know the answer to that, Jim.
18 I can make a guess. Seventy percent.

19 MR. FRICKE: Okay. I think that's all I have now,
20 Your Honor, on cross. We do also reserve the right to call
21 Mr. Rowley as a witness in our application.

22 JUDGE LOVINGER: Okay. And Commission Staff?

23 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

24 ////

25 ////

1 C R O S S - E X A M I N A T I O N

2 BY MS. CAMERON-RULKOWSKI:

3 Q. I had a question that was similar to Mr. Fricke's.

4 For Shuttle Express's service that picks passengers
5 up at the airport and then drops them off at the piers, is that
6 reservation and walk-up?

7 A. Both -- both walk-up and reservation. They -- they
8 have to be put into our system, so they technically have a
9 reservation by the time they board. But those folks that don't
10 come to the airport without a ticket, for instance, we -- we are
11 taking care of them, too, and those are what we would consider
12 walk-up.

13 Q. And then for the reverse trip. So when you pick
14 passengers up from the piers and deliver them to the airport, do
15 all of these passengers have reservations?

16 A. The bulk of them do, too; however, there are some
17 people that come over that try to use us, and we will sell them
18 a seat if we have the capacity at that time to -- to board them
19 on.

20 Q. And when you do sell a seat to such a walk-up
21 passenger, is there some sort of desk down near the piers, or is
22 that a transaction that's handled by the driver?

23 A. Over the years, it's been both ways. The most recent
24 year was handled by the coordinators on the spot. And there's
25 just a general location they stand and -- and make that

0133

1 reservation there.

2 Q. And when you say "coordinators on the spot," do you
3 mean that there are coordinators at Pier 66 and also at Piers 90
4 and 91?

5 A. That's correct. We'll have as many as five to six
6 coordinators at 91, and two or three at 66.

7 Q. And is that currently how it's operating during the
8 current cruise -- well...

9 A. Coming up.

10 Q. Will -- right.

11 Will that be how it's operating during this year's
12 cruise season?

13 A. Yes.

14 Q. And the percentage that you gave in response to
15 Mr. Fricke's question, is that applicable to both directions of
16 travel, or are there a greater percentage of, say, walk-up
17 passengers from the trip going from the piers to the airport
18 versus the other way around?

19 A. In general, I think it's the same. Maybe a little
20 bit less at the pier than at the airport.

21 Q. Could you clarify, please? Less what?

22 A. Less walk-up business than we acquire at the pier
23 than at the airport -- or -- now, I'm confused.

24 Q. Where do you have the most reservations?

25 A. The most walk-up reservations occur at the airport.

0134

1 MR. HARLOW: Now that that's clarified.

2 BY MS. CAMERON-RULKOWSKI:

3 Q. So more of your cruise terminal passengers have
4 advanced reservations than do your passengers at the airport?

5 A. As a percentage.

6 Q. Thank you. I'm just making sure that I understand.

7 Approximately how many passengers do you transport to
8 and from the cruise terminals per ship?

9 A. It would be easier for me to answer that if I could
10 do it per day, and -- and let you know that on a very good day,
11 we will transport 300, 300-plus. That includes both 66 and 91,
12 the bulk of those being at 91.

13 Q. Now, did you hear the testimony of Mr. Groesbeck?

14 A. Yes.

15 Q. I believe he testified that there were -- that there
16 could be two cruise ships at a terminal at any given time, and
17 that each of those ships would carry approximately two to 3,000
18 passengers.

19 And so when you say that per day that you transport
20 about 300 to and from the airport from the -- the cruise
21 terminal piers, that could be coming from one ship or two ships,
22 correct?

23 A. Right. Mostly three per day is -- I know there is a
24 day that only has one ship, but most of the days have three
25 ships.

0135

1 Q. Three ships.

2 MS. CAMERON-RULKOWSKI: I have no further questions.

3 Thank you.

4 JUDGE LOVINGER: Mr. Rowley, I do have a question. I
5 just want to make sure I understand this.

6

7 E X A M I N A T I O N

8 BY JUDGE LOVINGER:

9 Q. So your answer, then, would indicate that somewhere
10 between -- out of somewhere between 7500 and 9,000 passengers in
11 a day, 300 of them are being transported by Shuttle Express?

12 A. That would be correct.

13 JUDGE LOVINGER: Thank you.

14 MR. HARLOW: Just one quick follow-up.

15

16 R E D I R E C T E X A M I N A T I O N

17 BY MR. HARLOW:

18 Q. The last question from the Judge, that doesn't mean
19 7600 passengers are standing on the pier without ground
20 transportation, does it?

21 A. No.

22 Q. You said earlier your average load factor was a
23 little over three.

24 Do you know what the average load factor is to and
25 from the piers?

0136

1 A. I can only venture a guess again, and we're leaving
2 with nearly full vehicles the entire four hours that -- that it
3 occurs.

4 Q. But you're filling them up, and you're getting them
5 all transported?

6 A. Right, particularly from the -- from the -- and when
7 I talk about the four hours, it's from the piers to the airport.
8 The airport to the piers tends to happen throughout the
9 midmorning into the early afternoon before the ship disembarks,
10 so that's a little longer stretch. And still those load factors
11 are very good as well.

12 Q. Right. But the cruise ships when they debark, they
13 don't let everybody off at once, do they?

14 A. They trickle out. We have to have vehicles there by
15 seven, and we'll be done between ten, eleven, maybe 11:30.

16 Q. Okay. Have you had any complaints that you're aware
17 of to the WUTC from passengers who couldn't get transportation
18 on you after they got off the ship?

19 A. No.

20 MR. HARLOW: No further questions.

21 JUDGE LOVINGER: Okay. Mr. Rowley, you are excused.
22 Thank you.

23 MR. HARLOW: Shuttle Express rests, Your Honor.

24 JUDGE LOVINGER: Okay. Mr. Fricke, are you ready to
25 proceed at this time?

0137

1 MR. FRICKE: I guess one question I have is did
2 somebody come in on the...

3 JUDGE LOVINGER: Hello? Is there is somebody on the
4 conference bridge line?

5 MR. FRICKE: I heard a tone. That's why I was
6 wondering.

7 JUDGE LOVINGER: Hello? This is the hearing room.
8 Has anybody called in on the conference bridge line?
9 If they're there, they're not answering.

10 MR. FRICKE: Your Honor, could we take just a moment
11 to confer an order here?

12 JUDGE LOVINGER: Do you need five minutes?

13 MR. FRICKE: Sure.

14 JUDGE LOVINGER: Okay. We'll recess for five
15 minutes.

16 MR. FRICKE: Thanks.

17 JUDGE LOVINGER: Thank you.

18 (A break was taken from 1:52 p.m.
19 to 2:00 p.m.)

20 JUDGE LOVINGER: Let's go back on the record, please.

21 MR. FRICKE: Your Honor, we would like to call our
22 first witness, Irene Emmens.

23 JUDGE LOVINGER: Ms. Emmens, will you raise your
24 right hand while you're still standing, please?

25 ////

0138

1

IRENE EMMENS,

2

witness herein, having been first duly sworn on oath, was

3

examined and testified as follows:

4

5

JUDGE LOVINGER: Thank you. Please be seated.

6

You may proceed, Mr. Fricke.

7

8

D I R E C T E X A M I N A T I O N

9

BY MR. FRICKE:

10

Q. Ms. Emmens, would you please identify what company

11

you are with and what services you provide to the traveling

12

public?

13

A. Okay. I own Global Express Cruise and Travel, a

14

travel agency that's been in business for 45 years.

15

MR. HARLOW: We need the microphone turned on here,

16

Your Honor. I'm sorry.

17

JUDGE LOVINGER: Please push the button.

18

BY MR. FRICKE:

19

Q. Can you push the button on the --

20

JUDGE LOVINGER: Can you please press the button and

21

make sure the red light comes on?

22

THE WITNESS: Okay. Which button?

23

JUDGE LOVINGER: There it is.

24

BY MR. FRICKE:

25

Q. There. You got it.

0139

1 A. Okay. Do you want me to start over?

2 Q. Sure.

3 A. Okay. I own Global Express/Capital Travel. We have
4 been in business for 45 years, and we sell a lot of cruises to
5 Alaska. We would service clients from Thurston, Mason, Lewis,
6 Grays Harbor for transportation to either pier or the Victoria
7 Clipper. And it's always a struggle to get them to their
8 destinations, because parking is so expensive at the piers.

9 Q. And you are familiar with the services that Capital
10 Aeroporter provides to and from Sea-Tac Airport?

11 A. Yes, for many years. Over 40 years, I believe.

12 Q. And do you think that that type of service would be
13 welcomed by your clients --

14 A. Oh, absolutely.

15 Q. -- to the piers?

16 A. Yes. Especially because there's a lot of elderly
17 clients that take the Alaska cruise, and they do not want to
18 drive in Seattle.

19 MR. FRICKE: Okay. Your Honor, I have no further
20 questions at this point.

21 JUDGE LOVINGER: Does Commission Staff have any
22 questions?

23 MS. CAMERON-RULKOWSKI: No questions from Staff.

24 JUDGE LOVINGER: Mr. Harlow, do you have any
25 questions?

0140

1 MR. HARLOW: No questions, Your Honor.

2 JUDGE LOVINGER: Thank you very much. You are
3 excused, Ms. Emmens.

4 THE WITNESS: Yes.

5 JUDGE LOVINGER: I appreciate you testifying.

6 THE WITNESS: That's a good thing. Thank you.

7 JUDGE LOVINGER: Mr. Fricke, are you ready with your
8 next witness?

9 MR. FRICKE: Yeah. We're going to attempt to reach
10 our call-in witness to dial in; our first call-in witness.

11 JUDGE LOVINGER: Let's go off the record for a few
12 moments.

13 (A break was taken from 2:03 p.m.
14 to 2:06 p.m.)

15 MR. FRICKE: Okay. The first voice you heard was the
16 Judge, he will swear you in, and then I'll ask you some
17 questions.

18 MS. FLETCHER: Okay. Sounds good.

19 JUDGE LOVINGER: Hello. Is this Tonia Fletcher?

20 MS. FLETCHER: Yes, it is Tonia Fletcher.

21 JUDGE LOVINGER: Hi. This is Judge Lovinger, and I'm
22 going to ask you to stand and raise your right hand.

23 MS. FLETCHER: Okay.

24 ////

25 ////

0141

1

TONIA FLETCHER,

2

witness herein, having been first duly sworn on oath, was

3

examined and testified as follows:

4

5

JUDGE LOVINGER: Thank you very much. You can

6

actually be seated now if you were standing.

7

THE WITNESS: Okay. Thanks.

8

JUDGE LOVINGER: Mr. Fricke, you may go ahead with

9

your questions.

10

11

D I R E C T E X A M I N A T I O N

12

BY MR. FRICKE:

13

Q. Okay. Tonia, would you just -- first of all, just

14

identify what your position is at the airport, how many years

15

you have been in this position, and we'll have some further

16

questions.

17

A. Absolutely. My name is Tonia Fletcher. I work for

18

the Port of Seattle. I am one of the supervisors in the airport

19

operations. I'm specifically designated to run ground

20

transportation, and I have been in my position now as the ground

21

transportation supervisor for about five years but at the Port

22

of Seattle for about 15 years.

23

I've also had the opportunity to run cruise

24

operations for three years in a row, so I'm very familiar with

25

how that -- how that runs.

0142

1 Q. And regarding cruise operations, where is the center
2 of focus of cruise operations at Sea-Tac Airport?

3 A. The focus basically is to get our passengers safely
4 down to the cruise ships before they depart, and so basically
5 move the passengers quickly, as efficient, and safely as
6 possible. That is the focus of the airport.

7 Q. And the physical location where this takes place?

8 A. It's down at Door 00, in our south ground
9 transportation lot. We have various cruise lines set up at that
10 end of the airport to transport the passengers out of the
11 airport.

12 Q. And do -- on occasion or on a regular basis, do
13 people -- well, let me back up a second.

14 There is signing at the airport regarding cruise
15 ship -- cruise ships and -- and how they get there.

16 And does that direct people to that Door 00 at the
17 south end?

18 A. Yes. Most of the signs that are in place to direct
19 our passengers to that end would be from the cruise lines. A
20 lot of times they would set up the signage throughout the
21 airport to direct folks down on that end.

22 Q. Okay. And are there people who arrive at the south
23 end that are not pre-vouchered as part of their cruise package
24 that need transportation to or from the cruise ship piers?

25 A. Yes, absolutely.

0143

1 Q. And where are those people directed now, or let's --
2 let's go back for this last year --

3 A. Okay.

4 Q. -- in particular.

5 During the year of 2011, how did those people secure
6 transportation to the piers?

7 A. Most of the folks quite obviously show up at Door 00,
8 and they are directed to basically take up ground transportation
9 service on the third floor of the parking garage. So there are
10 people directing them over to take taxi and Town Car services on
11 the third floor.

12 Q. So if I'm understanding, what you're saying is these
13 people, after they have come in on a flight as far as away as
14 the north end of the terminal building, which is probably about
15 three blocks to the south end of the terminal building, and now
16 because they become redirected back to the parking garage, which
17 means that they need to go up and over and down to get
18 transportation on the third floor of the parking garage, which
19 is probably just about another -- what? -- quarter of a mile,
20 right?

21 MR. HARLOW: Your Honor, I'm going to object.
22 Leading.

23 THE WITNESS: Yeah.

24 JUDGE LOVINGER: Please hold.

25 THE WITNESS: Yes. There is --

0144

1 JUDGE LOVINGER: No. Ms. Fletcher? Ms. Fletcher,
2 please hold off on answering at this point.

3 THE WITNESS: Sure.

4 JUDGE LOVINGER: Mr. Fricke, if you can word your
5 questions to allow the witnesses to actually testify rather than
6 testifying for them, that would be helpful.

7 BY MR. FRICKE:

8 Q. Okay. How far is it that these people now are
9 redirected to secure transportation services?

10 A. I would say it is -- it's -- I think it's less than a
11 quarter of a mile, but I would say it's quite far away from Door
12 00. They would have to go up the escalator and walk across the
13 sky bridge and down to the third floor of the parking garage
14 which can be about, I would say, maybe an eight-minute walk from
15 Door 00.

16 Q. Okay. And so in your opinion, would transportation
17 services that would be made available right there at the south
18 end be much more convenient for these travelers?

19 A. Yes.

20 Q. Are you familiar with the operations of Capital
21 Aeroporter?

22 A. I am.

23 Q. And what is your general opinion about those
24 operations in terms of airport transportation?

25 A. I would say that Capital provides us an excellent

0145

1 service at the airport. And, you know, they're on a schedule,
2 they uphold their schedule, and they ensure their passengers get
3 in and out safely. And they're, you know, a pretty good service
4 at the airport. We don't have any issues with Capital.

5 Q. And so if we were -- if the Commission were to grant
6 our application to provide services from that south end location
7 there on a nonstop basis to the Seattle Waterfront, would you
8 support that -- that alternative transportation than to what's
9 available now?

10 A. I'm not going to say that I would support it with you
11 versus a different company, but I will say that we will
12 definitely support this service if they choose to grant that.
13 We are definitely in support of having a shuttle service that
14 will operate to and from the pier.

15 Q. From that south end?

16 A. That's correct.

17 MR. FRICKE: Okay. That's all the direct questions I
18 have.

19 JUDGE LOVINGER: Ms. Cameron-Rulkowski?

20 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

21

22 C R O S S - E X A M I N A T I O N

23 BY MS. CAMERON-RULKOWSKI:

24 Q. Good afternoon, Ms. Fletcher. This is Jennifer
25 Cameron-Rulkowski, Assistant Attorney General, representing

0146

1 Commission Staff at this hearing.

2 A. Mm-hm.

3 Q. And I do have a couple of questions for you.

4 Do you have an estimate of approximately how many
5 passengers are going to the cruise terminals from Sea-Tac
6 Airport on a given day?

7 A. I do have those that are only traveling on the --
8 with the cruise lines. I have that information, but I do not
9 have those passengers that are not using the cruise line
10 services. For instance, they have prebooked their travel
11 through the cruise lines, as well as their charter service down
12 to the cruise ship. I have that information. Anybody outside
13 of that, I would not have that information.

14 Q. Okay. Why don't you go ahead and give me that
15 information, and then I'll ask some clarifying questions about
16 what you just said.

17 A. Okay. For instance -- okay. I don't have it
18 directly here.

19 So what do you want to know? Like if it --
20 like on -- okay. Like I guess in May and in June, July, and in
21 August --

22 Q. Let me interject.

23 A. -- there were --

24 Q. Yes, during the cruise season.

25 A. Okay. So during the cruise season.

0147

1 During the cruise season, there was probably
2 approximately -- I don't have that paperwork. I thought I had
3 it here. Let me think about this for a second.

4 Okay. During the busiest season, roughly in May,
5 there was probably about, I think, 9,000 or so going down to the
6 cruise ship, and in June there was about 12,000 or so.

7 And this is just strictly the numbers off of the --
8 strictly the numbers from the cruise lines, and then July and
9 August, it was roughly 13,000.

10 Q. When you said July and August, you meant each of --
11 you meant in July, there was 13,000, and in August, there were
12 13,000?

13 A. That's correct.

14 Q. Okay. And now let me just back up a little bit to
15 make sure that I understand the numbers that you have just
16 given. So you said that these numbers represent passengers
17 traveling from the -- from Sea-Tac Airport to the cruise ships
18 who are taking cruises with particular cruise lines.

19 Am I understanding that correctly, or could you
20 please give me an example of what kind of a cruise passenger who
21 wouldn't be represented in that number?

22 A. Okay. The cruise passengers will purchase their
23 travel through, let's say, Royal Caribbean cruises. They will
24 then book their -- their -- their trip from the airport down to
25 the cruise line. Some of those folks do not purchase that extra

0148

1 piece in their package, so then they come into the airport, and
2 they're on their own as far as transportation. We would not
3 have those numbers; those folks that choose not to purchase that
4 extra piece of transportation in their package deal.

5 Q. So when you provided the numbers for, say, the month
6 of -- for the month of May, June, July, and August --

7 A. Mm-hm.

8 Q. -- if I took that number and divided it by 30 days,
9 would that give me an approximately accurate daily average?

10 A. Well, cruise operations don't run on a daily -- every
11 day. They run only on Friday, Saturday, and Sunday, and
12 sometimes on -- and so basically you'd want to take just the
13 weekend, Friday, Saturday, and Sunday, three days, so...

14 Q. Okay.

15 A. So on the average, I would probably say -- what? --
16 maybe 12 or so. So roughly, yeah, 12, 13 days a month.

17 Q. Okay. And do you have -- do you have any ballpark
18 idea just from personal experience about how many of those
19 customers would not be captured through the vouchers or the
20 package deals?

21 A. I do not.

22 Q. All right.

23 A. I do not know.

24 MS. CAMERON-RULKOWSKI: I don't have any further
25 questions. Thank you very much, Ms. Fletcher.

0149

1 JUDGE LOVINGER: Mr. Harlow?

2 MR. HARLOW: Thank you, Your Honor.

3

4 C R O S S - E X A M I N A T I O N

5 BY MR. HARLOW:

6 Q. Thank you, Ms. Fletcher. My name is Brooks Harlow.

7 I represent Shuttle Express. Good afternoon.

8 A. Hello.

9 Q. Are you familiar with Shuttle Express's operations?

10 A. Yes, I am.

11 Q. Are you aware that Shuttle Express also provides
12 service currently -- well, during the cruise season anyway --
13 from Sea-Tac Airport to Piers 66 and 91?

14 A. I was not aware that they had any type of scheduled
15 service to those areas.

16 Q. But you're aware they provide transportation to
17 walk-ups, if you will, these people who go to Door 00 and --

18 A. Yes.

19 Q. -- haven't prebooked?

20 Okay. How would you describe Shuttle Express's
21 operations in general?

22 A. They're a really good service, real reliable, and --
23 you know, just like -- like I said earlier, they're -- they're a
24 good service to have at the airport, and no issues with Shuttle
25 Express.

0150

1 Q. Do they have a concession agreement with the Port of
2 Seattle?

3 A. Yes, they do have a month-to-month concessions
4 agreement.

5 Q. And have they been satisfactorily performing their
6 concession agreement with the Port as far as you know?

7 A. As far as I'm aware, yes.

8 Q. Do you get a lot of passenger complaints about
9 Shuttle Express's service?

10 A. No.

11 Q. Do you get any complaints about Shuttle Express?

12 A. I have not personally.

13 Q. Thank you. Okay. Let me talk -- we talked some
14 numbers, specific numbers about number of passengers. These are
15 just the pre -- the package bookings, nine to 13,000 passengers
16 a month, which works out, I think to about a thousand a day
17 during the -- on the cruise days; is that about right?

18 A. Mm-hm.

19 Q. And can you put any kind of a number on how many
20 passengers relatively speaking go to Door 00 and have to turn
21 around and go back to the third floor in the parking garage?

22 A. I don't have that number, but I can -- I can just
23 tell you from -- from, you know, my experience of being down
24 there, it's quite a -- quite a few.

25 Q. Is it more than five? More than ten per day?

0151

1 A. I would say more than ten per day, yes.

2 Q. And you mentioned on direct examination -- when
3 Mr. Fricke was asking you questions -- let's just keep it
4 simple -- that when they go to the third floor, they can take a
5 taxi or a Town Car, but I take it --

6 A. Correct.

7 Q. -- they also can take Shuttle Express from the third
8 floor; isn't that correct?

9 A. If they choose to, yes.

10 Q. And from all you know, they'll get a satisfactory
11 transportation to the piers once they get to the third floor; is
12 that correct?

13 A. Yes.

14 Q. So this issue you've identified about the passengers
15 who go to the wrong part of the airport first, do you think that
16 issue could be addressed in part by some improved signage or
17 directions at the airport?

18 A. I personally still think that it's -- it's a ways to
19 walk. But, again, it is really the customer's choice as to
20 whether or not they want to walk over there and take the
21 services provided. But signage would be helpful, yes.

22 Q. And let me ask you another question.

23 Have you ever brought this problem to the attention
24 of Shuttle Express?

25 A. Problem? I never really thought it was a problem per

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1 se.

2 Q. Okay. It's not a problem.

3 Have you ever gone to Shuttle Express and said, "We
4 have walk-ups who can't get on the prepackaged buses, and they
5 have to walk from Door 00 to the third floor. Can you help us
6 with this issue?"

7 Have you ever gone to them with this issue?

8 A. No.

9 Q. Okay. So I take it you haven't asked Shuttle Express
10 to station some of their vans at Door 00?

11 A. Correct, we have not.

12 Q. If Shuttle Express were willing to do that, do you
13 think you could find their service satisfactory from the
14 airport?

15 A. You know, I really don't feel comfortable answering
16 that question adequately. But, again, you know, that would be a
17 decision that basically our manager would have to make.

18 Q. Yes. As I --

19 A. Higher management.

20 Q. As I understand it, the Port of Seattle pretty much
21 tells all of the ground transportation operators where they're
22 to operate; isn't that correct?

23 A. That's correct.

24 Q. And so Shuttle Express has been assigned to the third
25 floor of the parking garage, whereas Capital Aeroporter's been

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1 assigned to the Door 00 area; isn't that correct?

2 A. Correct.

3 Q. So perhaps in a different direction or permission
4 from the Port, an operator wouldn't be able to move for the
5 convenience of passengers; is that correct?

6 A. Yes, that would be correct.

7 MR. HARLOW: I don't have any further questions at
8 this time, and I want to thank you again.

9 THE WITNESS: Oh, you're welcome.

10 JUDGE LOVINGER: Mr. Fricke, do you wish to redirect
11 at all?

12 MR. FRICKE: Yes. I do have a couple of questions
13 again.

14

15 R E D I R E C T E X A M I N A T I O N

16 BY MR. FRICKE:

17 Q. Tonia, this is Jim Fricke.

18 One is, is it not true that the -- there was a
19 separation by the airport in past years between scheduled
20 services and nonscheduled or on-call services in terms of
21 between the south end or Door 00 and the parking garage?

22 A. Yes. There was -- there was a separation in the
23 scheduled service versus the nonscheduled service. This was
24 something that was, I believe, done by our management here.

25 Q. And that the downtown transportation -- scheduled

0154

1 transportation, in fact, up until last year, was from the south
2 end at Door 00?

3 A. Yes, it was.

4 Q. And, subsequently, then, through apparently agreement
5 between the airport and Shuttle Express, it was moved to the
6 parking garage?

7 A. Correct.

8 Q. Okay. Regarding the question of whether signing
9 could help these people not get to the south end, do you not
10 believe that the -- or do you believe that signage could solve
11 the problem, or that it would only confuse people of trying to
12 differentiate what kind of cruise people go to what place?

13 A. I think depending on what type of signage it is, I
14 think it -- it could help in some areas, but then also, I still
15 believe that given that the cruise operations is ran down by
16 Door 00, you would still get those that still would ask the
17 questions regardless of the signage.

18 Q. Okay. Thank you.

19 A. I still think you'd still get a lot of folks on that
20 end.

21 MR. FRICKE: I have no further questions, Your Honor.

22 JUDGE LOVINGER: Thank you, Ms. Fletcher, for you
23 testimony today.

24 THE WITNESS: You're welcome.

25 MR. FRICKE: Thank you.

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1 JUDGE LOVINGER: You're excused.

2 THE WITNESS: Okay. Thanks.

3 JUDGE LOVINGER: Mr. Fricke, are you ready to call
4 your next witness, please?

5 MR. FRICKE: Yes. I think we'll call our operating
6 witness, John, and then try to follow up on a couple of those
7 AAA people.

8 JUDGE LOVINGER: Mr. Fricke, will you please raise
9 your right hand?

10

11

JOHN FRICKE,

12 witness herein, having been first duly sworn on oath, was

13 examined and testified as follows:

14

15 JUDGE LOVINGER: Thank you very much. Please be
16 seated.

17 Mr. Fricke, he's your witness.

18

19

D I R E C T E X A M I N A T I O N

20 BY MR. HARLOW:

21 Q. Mr. Fricke, would you please identify who you are,
22 the position of the company you're with, and what the
23 application is for?

24 A. Yes. My name is John Fricke. I am the vice
25 president of operations and operations manager for Capital

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1 Aeroporter Airport Shuttle. I have worked for Capital
2 Aeroporter as -- in this position for 11 years, and we are -- we
3 have put in an application for the extension of our authority
4 under the UTC to provide passenger transportation service to and
5 from the Seattle Waterfront from Grays Harbor, Mason, Lewis,
6 Thurston, Pierce, and King Counties, via Seattle-Tacoma
7 International Airport, to provide direct, closed-door service on
8 a scheduled basis between Sea-Tac Airport and the Seattle
9 Waterfront.

10 Q. And the one additional item in the application
11 regarding removal of restrictions?

12 A. Yes. We have also asked for removal of restrictions
13 for passenger service between the Seattle-Tacoma International
14 Airport and Elbe, Ashford, Longmire, and Mount Rainier National
15 Park.

16 Q. Okay. Would you express what you do on a day-to-day
17 basis in the business, how Capital Aeroporter is set up in terms
18 of customer service, safety, and so forth?

19 A. Certainly. So my day-to-day tasks involve the
20 marketing, the managing of the operations as far as drivers,
21 office staff, airport staff, fielding customer service issues,
22 driver issues, and basically monitoring the scheduling of our
23 services and ensuring that we provide adequate transportation to
24 all requests and needs of the general public to and from the
25 airport.

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1 We also provide charter service in the form of
2 private van service or minibus service for charters from point
3 to point, whether it be private vans to and from the airport, to
4 downtown Seattle.

5 For five years, we have also been offering private
6 cruise vans to and from the Seattle Waterfront, which is an
7 exclusive chartered vehicle to and from those points.

8 I also oversee the driver supervisor and safety
9 supervisor in their positions as far as responding to, from a
10 management position, any safety issues that are taken up with
11 our safety committee that we have; making sure that the office
12 supervisors and driver supervisors maintain the high level of
13 customer service that we provide to the traveling public;
14 ensuring that our employees are dressed to the specified company
15 uniform, which is similar to that of Shuttle Express, either a
16 white shirt and tie, or a company -- company shirt with a logo
17 on.

18 Also make sure I maintain the website and work on any
19 improvements with our software system, which is -- happens to be
20 the exact same software utilized by Shuttle Express -- I believe
21 that we started using that, that system before them -- and
22 monitor driver behavior through GPS tracking of our vehicles
23 and -- and address any issues as necessary. I think that's
24 basically it.

25 Q. Can I draw your attention here, then, to Exhibit

0158

1 JF -- is it 3? -- JF-3, and explain what that exhibit portrays
2 in terms of the application.

3 A. Are you referring to the map of --

4 Q. Yes.

5 A. -- the ground transportation and baggage claim level
6 of Sea-Tac Airport?

7 Q. Yes.

8 A. Okay. There's an illustration map there showing the
9 layout of the baggage claim level at Sea-Tac airport where all
10 flight passengers come in and retrieve their luggage from
11 baggage carousels.

12 And it displays there on the left-hand side in red
13 lettering where the airport has specified scheduled airporters
14 and cruise line bus transportation from Seattle-Tacoma
15 International Airport. This is the designated location at the
16 airport to load such passengers, which is also where we have
17 been operating since 2003, I believe.

18 We were previously in the parking garage, and our --
19 we have since been at Door 00, operating out of the south ground
20 transportation lot, which is the exact same location that cruise
21 buses, the pre-vouchered cruise passengers, as has been
22 discussed in previous testimony, where they're all directed to
23 load up on the buses.

24 This is also where our customer service counter is
25 located just inside of Door 00, adjacent to where a previous

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1 company in the name of Gray Line, which operated the Downtown
2 Airporter, and also operated a scheduled service to and from the
3 piers up until 2010 cruise season, I believe.

4 Our customer service agents throughout the entire
5 2011 cruise season were fielded with many inquires regarding
6 rides or the need for passenger service to the Seattle
7 Waterfront, specifically Pier 66 and Pier 91.

8 That's our general operating location there at the
9 airport.

10 Q. And, Mr. Fricke, what is the -- how would you
11 describe the waiting area in that end of the airport in terms of
12 comfort for passengers?

13 A. If you refer to the next item in the exhibit -- I
14 believe, if you turn your page beyond that, there's a picture of
15 the atrium there. This is called the "Gina Marie Lindsey
16 Arrivals Hall," which is the newest edition to Sea-Tac Airport
17 baggage claim level.

18 This was created to handle a large capacity of
19 passengers moving through the airport, and it is indoors,
20 heated, and very comfortable, with any necessary amenities and
21 services directly adjacent to the area. This is where our
22 passengers currently await for their transportation, as well as
23 other scheduled airporters out of Sea-Tac Airport. And this is
24 the same location where the cruise passengers are directed to.

25 Q. And I draw your attention to -- I believe it's JF-5.

0160

1 A. I believe it was renumbered JF-4.

2 Q. 4, okay.

3 A. Are you speaking of the photo of the vehicle?

4 Q. Photo of the vehicle, yes.

5 A. This here is a photo of the -- the newest edition to
6 our fleet, which now makes up about 80 percent of our fleet. We
7 have purchased and are continuing to add fuel-efficient, clean
8 diesel Blue TEC technology vehicles into our fleet. They're
9 Mercedes Sprinters. The reason that we chose to operate these
10 vehicles is to reduce our carbon footprint. You know,
11 numerous -- numerous companies market their green service or
12 their alternative fuel, such as CNG and propane as, you know,
13 being green, but this is also a very green vehicle. In fact, it
14 can get up to 22 miles per gallon, which is double that of our
15 predecessor in our fleet, Chevrolet Express vans and Ford
16 Econoline vans.

17 And this is -- our customers -- we've received a lot
18 of feedback from them, all positive, regarding the use of these
19 vehicles. And they all have tinted windows, high-back seats,
20 and very comfortable individual seating for customers.

21 Q. Okay. And then I refer you back to JF-1, which would
22 be the application. Sorry. We didn't number the pages here.

23 Would you attest to, I guess, our insurance coverage
24 to start with?

25 A. Certainly. We maintain liability insurance to a

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1 level higher than that as the minimum required by the UTC. I
2 believe that's a 3-million single-limit guarantee. We -- we
3 maintain a 5-million limit coverage. All of our vehicles are
4 covered under this liability insurance at all times. All of our
5 drivers that drive these vehicles to ensure customer safety are
6 also given preemployment drug screens. And we also employ, I
7 think, six times the number of CDL drivers as we have
8 CDL-required vehicles that -- referring to the minibus that we
9 operate.

10 Q. And would you speak to our proposed schedule -- or to
11 the proposed schedule of the Applicant?

12 A. I'll have to speak from memory. I don't have one
13 directly in front me. We are proposing to operate a scheduled,
14 closed-door, nonstop direct service between Seattle-Tacoma
15 International Airport and the Seattle Waterfront, first, with
16 reservations only or advanced reservations required for pick-ups
17 in the aforementioned counties of Grays Harbor, Lewis, Mason,
18 Pierce, Thurston, and King Counties. And for operational need
19 to provide a service to the general public, which we then
20 requested to do so and inquired by like -- like I said, at our
21 customer service counter, provide the nonstop service scheduled
22 to the Seattle Waterfront from Sea-Tac Airport, which, to our
23 knowledge, has not been offered currently or in the past. We
24 know there was one during -- that Gray Line was operating, but
25 the one that we are proposing is a guaranteed direct, nonstop

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1 service between the airport and the waterfront.

2 Q. And when you say "between the airport and the
3 waterfront," you mean from where the airport designates cruise
4 buses to depart from?

5 A. That's correct. We feel that it would be a great
6 convenience to the immense need that the public demands to get
7 to and from the cruise piers, especially considering the
8 testimony of -- I believe his name was Mr. Groesbeck from --
9 from TMS, where he said that people are coming up to them and in
10 need of that service. So we are there, we're ready, and willing
11 to provide that service.

12 Q. And in that respect, what vehicles -- or address the
13 equipment fleet of the company now and how it has changed -- or
14 how it changes with meeting needs, let's say, change?

15 A. As customer trends and needs change over time, we are
16 able, willing, and -- and we have the financial stability to
17 accommodate the addition of new vehicles to our fleet.

18 We have -- in that example there of the Mercedes
19 Sprinter, we have added eight Sprinters, model year 2010 and
20 later, just in the past two years to our fleet, to handle the
21 demand to our current service areas which we operate, as far as
22 our airport operations and our private service.

23 Q. And would the company add additional larger vehicles
24 as the demand requires?

25 A. We certainly would add additional vehicles, drivers,

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1 and staff as necessary to provide an adequate and effective,
2 efficient service to the general public.

3 MR. FRICKE: I think that concludes my direct
4 questions, Your Honor.

5 JUDGE LOVINGER: All right. Ms. Cameron-Rulkowski,
6 do you have anything?

7 MS. CAMERON-RULKOWSKI: Thank you, Your Honor. I
8 have a clarifying question.

9

10 C R O S S - E X A M I N A T I O N

11 BY MS. CAMERON-RULKOWSKI:

12 Q. Where, if anywhere, would you not require
13 reservations?

14 A. Where?

15 Q. I'm asking the question because you had listed a
16 number of counties, and it wasn't clear to me if you were
17 listing all of the counties in the application, or if there were
18 some counties where you would not require a reservation.

19 A. I know all those -- all those counties would require
20 a reservation, as it is a door-to-door service. If they didn't
21 reserve with us, we wouldn't know to come to their home to pick
22 them up.

23 Q. That's what I was asking. Thank you.

24 JUDGE LOVINGER: I would like to follow up on that,
25 just if I could, briefly to clarify that as well.

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1 E X A M I N A T I O N

2 BY JUDGE LOVINGER:

3 Q. Is your application, then, that you would be a
4 reservation service; that you would be picking people up in
5 Grays Harbor and driving them to the airport? They would be
6 making a reservation to go to the cruise line, but you would be
7 driving them to the airport and then doing a closed-door bus
8 from the airport to the cruise line?

9 A. That is correct.

10 Q. So the plan would be that you would be picking people
11 up at the airport who were not reservations?

12 A. They would technically be reservations, similar to
13 that of Shuttle Express. We enter them all into our system.
14 Anyone that would walk up to our customer service counter would
15 be entered in as a reservation to catch the ride to the Seattle
16 Waterfront.

17 JUDGE LOVINGER: Thank you.

18 MS. CAMERON-RULKOWSKI: Your Honor, may I ask another
19 question?

20 JUDGE LOVINGER: I'm sorry. I apologize. I actually
21 thought you are done, but...

22 MS. CAMERON-RULKOWSKI: And that's fine. I wasn't
23 sure at that moment whether I was done either.

24 JUDGE LOVINGER: All right. Thank you. Please
25 proceed.

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1 MS. CAMERON-RULKOWSKI: Thank you.

2

3 C R O S S - E X A M I N A T I O N (Resumed)

4 BY MS. CAMERON-RULKOWSKI:

5 Q. The reservations desk for Capital Aeroporter, is that
6 located near Door 00?

7 A. It's directly next to Door 00, our customer service
8 counter at Seattle-Tacoma, where all of our airport shuttle
9 passengers check in either with a prearranged reservation, or
10 they walk up and make a reservation at the counter.

11 Q. And would a passenger who was riding from a point
12 south through the airport to the piers, under your proposed
13 service, have to switch vehicles potentially?

14 A. If the need was there for, you know, smaller vehicles
15 to make the longer journey. You know -- and Grays Harbor,
16 you're talking about 100 miles to Sea-Tac Airport. And then
17 if -- you know, as the demand is there for a larger quantity
18 directly from Seattle-Tacoma International Airport directly to
19 the waterfront, they would then be transferred to that vehicle
20 for the direct trip.

21 Q. I understand. Thank you.

22 I'm looking at your proposed tariff, which is
23 attached to your application in Exhibit JF-1 --

24 A. Mm-hm.

25 Q. -- and I see that it's scheduled service.

0166

1 Is any of your service currently scheduled service?

2 A. Our airport service or our cruise service? To which
3 are you speaking?

4 Q. Well, why don't you tell me about both.

5 A. Okay. Certainly. Our door-to-door airport service
6 is -- is all done on a scheduled basis. Of course, there are
7 adjustments made to the demand at the time as far as what
8 vehicles and how many vehicles are routed to get these customers
9 to the airport.

10 We have scheduled departures from Sea-Tac Airport
11 that range anywhere from 30 minutes to an hour between
12 departures from -- from Door 00 there at the south end
13 currently. And we also have been operating, as I said, private
14 cruise vans to the piers, whether it be from the Seattle-Tacoma
15 International Airport or from a home address in Grays Harbor
16 directly to the -- on a private exclusive charter basis. That
17 is then scheduled at, you know, the convenience of the customer
18 for the private service.

19 MS. CAMERON-RULKOWSKI: Thank you. I have no further
20 questions, Your Honor.

21 JUDGE LOVINGER: Thank you. Mr. Harlow, I believe
22 you might have some questions for the witness?

23 MR. HARLOW: Thank you, Your Honor.

24 ////

25 ////

0167

1 C R O S S - E X A M I N A T I O N

2 BY MR. HARLOW:

3 Q. Good afternoon, Mr. Fricke. You were talking about
4 Gray Line of Seattle, and they operate scheduled motor coaches;
5 is that correct, out of Sea-Tac?

6 A. Do they currently?

7 Q. Yes.

8 A. No, they do not.

9 Q. They don't operate and serve the cruise terminals?

10 A. Gray Line of Seattle?

11 Q. Gray Line of Seattle. You were here for

12 Mr. Groesbeck's testimony; do you recall that?

13 A. Are you talking an established schedule with the
14 Utilities and Transportation Commission --

15 Q. Well, let's --

16 A. -- or are you talking about on-demand for
17 pre-vouchered cruise customers coming to the airport?

18 Q. Let's make it more broad.

19 A. Okay.

20 Q. So I'm sure that you have knowledge of it, and I'm
21 sure you have knowledge that Gray Line of Seattle runs buses
22 during the cruise season out of the same area that you do; is
23 that correct?

24 A. I understand they operate charters out of the same
25 area as we do, yes.

0168

1 Q. And you heard Mr. Groesbeck's testimony about them
2 selling tickets to walk-up passengers this morning?

3 A. Yes. To my amazement, I did hear that.

4 Q. Okay. So you've never seen that activity taking
5 place?

6 A. No, we have not seen that take place. During the
7 cruise season, those cruise passengers are directed outside to
8 kiosks that are outdoors.

9 Q. You wouldn't have any basis to say that Mr. Groesbeck
10 was mistaken in his testimony, would you?

11 A. I wouldn't think he would make a mistake like that
12 since he runs the operations.

13 Q. Now, what's the busiest season of the year for an
14 airport transportation company like yours?

15 A. That would be the summer and the holidays.

16 Q. And so in the summer is also when the cruise business
17 is running; isn't that correct?

18 A. That's correct.

19 Q. Are you going to have to expand your capacity to
20 serve substantial additional passengers in the cruise business?

21 A. Yes, we would be able to expand our capacity.

22 Q. I would like you to take a look at your application,
23 please, which is numbered on my exhibit list somewhere.

24 A. I believe JF-1.

25 Q. I think it's JF-1, yes. Take a look if you would,

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1 please, and turn to page -- Section 5, the financial statement.

2 A. Okay.

3 Q. And do you have any basic financial training or
4 knowledge?

5 A. No? Just the experience at -- working with Capital
6 Aeroporter.

7 Q. And who prepares these financial statements for
8 Capital Aeroporter?

9 A. Sometimes the statements are prepared by an
10 accountant, and sometimes by myself or Shirley Fricke.

11 Q. How about these particular financials in this
12 application?

13 A. This was prepared by myself.

14 Q. And the application is dated August 31st of last
15 year; is that correct?

16 A. That's correct.

17 Q. So these would have been prepared at the end of your
18 busiest season of the year; isn't that correct?

19 A. Yes, that's correct.

20 Q. Would I expect the financials in January and February
21 to be substantially diminished from the health of these
22 financial statements?

23 A. As I stated, the holidays was also a significant part
24 of our operation, so it would probably be fairly comparable
25 after the holidays.

0170

1 Q. All right. Now, do you have an understanding as to
2 what a current ratio is on a financial statement?

3 A. Are you referring to income versus expense?

4 Q. I'm referring to current assets versus current
5 liabilities.

6 A. I'm not -- I mean, I'm not trained as an accountant,
7 so I don't have...

8 Q. All right. You have liabilities listed on the
9 right-hand side, and salaries and wages payable; do you see
10 that, \$86,000?

11 A. Yes, I do.

12 Q. Rounds to 87,000. And those are liabilities that
13 would typically be due within 30 days or less; isn't that
14 correct?

15 A. Yeah. That's -- that's the average, pretty close to
16 the average monthly salaries paid.

17 Q. And accounts payable, when are most of those accounts
18 payable due? Are they typically due within 30 days or less?

19 A. Yes. Our most significant one, our fuel, is due
20 twice monthly.

21 Q. All right. And your source of funds to pay these
22 current obligations that are due within 30 days would typically
23 be cash in the bank? Is that one source?

24 A. Cash in the bank, and income from our operations
25 throughout out the month.

0171

1 Q. Daily income?

2 A. Right.

3 Q. Okay. And you could use -- accounts receivable on
4 the asset side would typically be due to you within 30 days; is
5 that correct?

6 A. That's correct.

7 Q. All right. Let's take a look at the notes
8 receivable.

9 What are the notes receivable there?

10 A. I don't recall right now what those -- what those
11 were at that time. As you said, that was four months ago.

12 Q. Somebody owes your company money.

13 Did your company make a loan to someone, perhaps a
14 shareholder or officer?

15 A. Perhaps. I really am -- I'm not certain what that
16 is.

17 Q. Is that receivable still on the books; do you know?

18 A. I don't know. I haven't prepared or assisted in
19 preparing our taxes at the year-end yet.

20 Q. All right. Looking down the balance sheet at the
21 trucks and trailers, office furniture, and other equipment,
22 typically those assets wouldn't be available to pay current
23 liabilities; isn't that correct?

24 A. Correct, unless they were liquidated for one reason
25 or another.

0172

1 Q. But typically, you couldn't liquidate your trucks and
2 trailers because those, in fact, are your vans that you serve
3 the public in?

4 A. Right. Right.

5 Q. All right. So if we could just do some -- well, let
6 me -- I missed one.

7 Other current assets, \$5200; do you know what that's
8 for?

9 A. No, I don't.

10 Q. Is that still in the books?

11 A. Possibly.

12 Q. All right. So at the time of this application, you
13 had forty-one. Twenty-eight. That's sixty-nine, plus five.
14 You had roughly 74,000 in those current assets that we just
15 reviewed; is that correct?

16 A. That's -- yeah, that's what it appears.

17 Q. And other than operating income, which isn't shown on
18 this, you had at that same time 101,000, almost a hundred and
19 two, plus almost \$87,000 in current liabilities for a total of
20 a hundred and eighty-seven, \$188,000 in current liabilities; is
21 that correct?

22 A. That's correct.

23 Q. Now, let's just take a look at the total net worth of
24 the company. You have total assets -- no, wait a minute. I
25 want to ask about the retained earnings, negative \$144,000.

0173

1 What does that reflect?

2 A. Again, I don't recall, as this was prepared four
3 months ago.

4 Q. Is the company current on all of its obligations,
5 financial obligations, at this time?

6 A. Yes.

7 Q. Do you recall the year before last when the company
8 failed to timely pay its regulatory fee to this Commission?

9 A. Yes, I do.

10 Q. And how much was that? That was about \$6500; is that
11 correct?

12 A. That sounds about right.

13 Q. And that --

14 A. Which year were you referring to?

15 Q. 2010.

16 A. Okay.

17 Q. Would that happen again in 2011?

18 A. Did it?

19 Q. I'm asking you.

20 A. Oh.

21 Q. You're the witness.

22 A. I don't believe so, no.

23 Q. Okay. Do you recall that, after the company was
24 notified of its delinquency on its annual fees, that the company
25 filed a request for mitigation of the penalty; do you recall

0174

1 that?

2 A. Yes, I do.

3 Q. And do you recall the reason stated was financial
4 hardship?

5 A. I don't -- I don't recall that.

6 Q. Will you accept that subject to check?

7 A. Sure. Yeah.

8 Q. Have you kept account of the passengers -- well, let
9 me back up. I'm assuming something you haven't established yet.
10 Have you ever had a passenger come up to one of your

11 vans in the Door 00 area and ask you to take them to the pier?

12 A. Yes, we have. Our drivers have been approached at
13 Sea-Tac Airport and actually down at the piers.

14 Q. Have you kept account of that, those requests?

15 A. No. Not all drivers report that directly to me.

16 Q. So it's anecdotal is the -- is a way to characterize
17 it?

18 A. No. I do believe our agent at the counter kept track
19 for like a couple-week period here this last cruise season.

20 Q. But you don't have that count, I'm presuming --

21 A. No.

22 Q. -- with you today?

23 A. No. No, I don't have that.

24 MR. HARLOW: Thank you, Your Honor. I have no
25 further questions.

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1 JUDGE LOVINGER: Okay. Thank you, Mr. Rowley [sic].

2 Oh, I'm sorry.

3 Mr. Fricke, do you have anything you wish to
4 redirect?

5 MR. FRICKE: Yes, I do.

6

7 R E D I R E C T E X A M I N A T I O N

8 BY MR. FRICKE:

9 Q. Mr. Fricke, are you familiar with the clause, rules
10 and regulations of the State of Washington and the Utilities and
11 Transportation Commission?

12 A. Yes, I am.

13 Q. And does the company do its best to adhere to those?

14 A. Yes. Our company does the best to adhere to those,
15 as well as meet all needs with the best customer service
16 available.

17 Q. What is the cost advantage to a couple, for example,
18 on providing door-to-door shared ride service to the piers
19 compared to a private van?

20 A. Are you speaking from a home address or from the
21 airport?

22 Q. From a home address.

23 A. From a home address, for a couple with our proposed
24 rates for the scheduled cruise service, they would save a huge
25 amount of money. Again, it depends on the location, whether

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1 it's in Pierce County or Thurston County or beyond. But as of
2 now, the only service that we provide is a private van service
3 which costs over a hundred, \$125, where a couple -- and let's
4 say North Tacoma, as we have filed here in for our rates, would
5 be -- let me see. I'm trying to get the ZIP codes right here.
6 Okay. Downtown Tacoma, it would be \$80 for two, versus \$125 for
7 a private van. And our private van rates also relate pretty
8 close to, I would say, Town Car service and other available
9 charter van service.

10 Q. And what would be the advantage and cost from our
11 proposal rate from the airport?

12 A. For a couple from the airport, currently -- or not
13 currently, the past cruise operating season in 2011, that was
14 \$100. So with our proposed rates of \$20 per person, that would
15 be \$40 for a group of two.

16 Q. So the savings would be?

17 A. Significant.

18 Q. Sixty dollars?

19 A. Sixty dollars, yes.

20 Q. Regarding the question related to 2010, what happened
21 in 2010 to the economy in relation to business?

22 A. Well, I think in our industry, as well as most other
23 industries in areas of commerce, there was a great decline. I
24 believe we were in what's called a "recession" for quite some
25 time, one quarter away from what's considered an economic

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1 depression at the time. So that may have been a cause for us to
2 report a financial hardship in making that payment that
3 Mr. Harlow referred to.

4 MR. FRICKE: Okay. No further questions, Your Honor.

5 JUDGE LOVINGER: Thank you, Mr. Fricke, for your
6 testimony.

7 Mr. Fricke, do you have another witness to call?

8 MR. FRICKE: I guess I would ask for one more recess
9 for us to attempt communicate to the AAA people.

10 JUDGE LOVINGER: You know, I think it's actually a
11 good time for a break now anyway.

12 Why don't we go till 20 minutes after three and give
13 you a chance to call.

14 MR. FRICKE: Twenty after three. Okay. Thank you,
15 sir.

16 (A break was taken from 3:04 p.m.
17 to 3:22 p.m.)

18 JUDGE LOVINGER: Let's go back on the record and
19 we'll discuss this.

20 Counsel, Mr. Fricke has just raised a point about an
21 exhibit. It sounds like an exhibit that he would presumably
22 want to offer. I'm not sure of who would be the witness
23 offering it, but -- or maybe he's asking to include it as part
24 of a prior exhibit, but perhaps you can make that clear for us,
25 Mr. Fricke.

1 MR. FRICKE: Yes, Your Honor. This is kind of a
2 follow-up on the admitting of the exhibit of C-819 regarding the
3 authority on the part of Gray Line to provide services between
4 Sea-Tac Airport and the cruise ship piers. And this follows on
5 in terms of tariff filings that -- including both schedule or
6 lack thereof and -- and a tariff filing.

7 The point of this being is that how we really kind of
8 got engaged in this to begin with, was that it was our
9 understanding last year, a year ago, that they no longer were
10 providing services, weren't advertising for it, you couldn't get
11 through to them on the website, you couldn't get through to them
12 on the phones, and so on and so forth. All of which -- and I
13 can put Mr. Fricke on here to testify to that, because he did a
14 lot of the legwork on that.

15 And I think it's important, because we were trying to
16 replace a service that we understood no longer exists, and now
17 we're told by a witness earlier today that it does exist. But
18 then the question is, indeed, are they abiding -- that if
19 they're providing it, are they abiding by schedule and tariff
20 filings with the Commission or not?

21 JUDGE LOVINGER: Okay. And I know that you're not a
22 trained attorney, but I guess at this point, I'm going to still
23 have to ask you: What is the relief that you're asking for from
24 the Commission?

25 MR. FRICKE: Well, I would like to make this a matter

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1 of the record as to why we are applying and why we believe that
2 that service should be considered to be a service. They did not
3 protest, so, obviously, they didn't have any concern.

4 (Mr. John Fricke confers with Mr. Fricke.)

5 MR. FRICKE: And I guess this is a matter of
6 clarifying, as it might relate to the record, about the
7 transition of authority from TMS Gateway, d/b/a Gray Line, to
8 Shuttle Express, and whatever they continued on their own that
9 seems to be incomplete.

10 JUDGE LOVINGER: Let me try and clarify my question
11 so that perhaps your answer will be a little bit more direct for
12 us.

13 Are you asking that this be admitted as an exhibit or
14 it being admitted as part of an exhibit that already exists?

15 MR. FRICKE: Yeah. It could be added to the same
16 exhibit if that would be acceptable.

17 JUDGE LOVINGER: I would ask representatives for each
18 of the other parties if that's acceptable.

19 MR. HARLOW: I'll need to see it first.

20 MS. CAMERON-RULKOWSKI: I haven't seen it either.

21 JUDGE LOVINGER: Mr. Fricke, if you could --

22 MR. FRICKE: And we don't have multiple copies yet
23 because we just got a single copy rather hurriedly from -- over
24 the lunch hour from...

25 MS. CAMERON-RULKOWSKI: I'll wait.

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1 MR. HARLOW: Can we go off the record for a minute?

2 JUDGE LOVINGER: Yes, we can.

3 MR. HARLOW: Thank you, Your Honor.

4 JUDGE LOVINGER: We're off the record.

5 (Discussion off the record from

6 3:25 p.m. to 3:31 p.m.)

7 JUDGE LOVINGER: I think we're going to go back on
8 the record, and I'll ask Mr. Fricke once more if you have made a
9 decision as how you want to proceed with this particular
10 document.

11 MR. FRICKE: Well, I guess we would at least ask that
12 we take note of this additional information out of official UTC
13 files, and make it a part of the exhibit that C-819 is already.

14 JUDGE LOVINGER: Okay. I'm under the impression
15 that -- has Commission Staff had an opportunity to look at this
16 document?

17 MS. CAMERON-RULKOWSKI: I believe it's the same thing
18 that we have here, but I wouldn't mind it if you passed it over
19 so I could see it.

20 (Pause in the proceedings.)

21 MS. CAMERON-RULKOWSKI: We don't have any objection
22 to admitting that document as either part of the Evergreen
23 certificate or as an attachment.

24 MR. HARLOW: And we don't think it's material to any
25 issue now that we have seen it, but earlier I said we wouldn't

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1 object, so we don't object.

2 JUDGE LOVINGER: And if I can ask you to specify
3 specifically what it is you don't object to?

4 MR. HARLOW: We don't object to taking official
5 notice of these documents.

6 JUDGE LOVINGER: Okay. Rather than trying to find
7 out whether or not people want to have it added as a document,
8 I'll take official notice of the document.

9 MR. HARLOW: And who is going to arrange to get us
10 copies so that we all have the same documents?

11 MR. FRICKE: You want to do that like after the fact?

12 MS. CAMERON-RULKOWSKI: We can do that.

13 JUDGE LOVINGER: Commission Staff has offered to do
14 so. Thank you very much.

15 MS. CAMERON-RULKOWSKI: Your Honor, is this going to
16 be a separate exhibit or attached?

17 JUDGE LOVINGER: Since we're making it official
18 notice, it's going to be separate.

19 MS. CAMERON-RULKOWSKI: Thank you.

20 And I have two portions here. I have the Shuttle
21 Express Tariff 200, and then I have -- and then behind that is
22 the certificate of Evergreen Trails, and then behind that is
23 Time Schedule No. 1 of Evergreen Trails.

24 JUDGE LOVINGER: Is this Certificate No. 819, C-819?

25 MS. CAMERON-RULKOWSKI: That's correct.

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1 JUDGE LOVINGER: We already have that marked as DG-1,
2 so we don't need that, and that is part of the official notice
3 if that's okay with -- if there's no objection from any of the
4 parties.

5 MR. FRICKE: No objection.

6 JUDGE LOVINGER: Thank you for bringing that to our
7 attention.

8 Mr. Fricke, are you ready to resume at this time?

9 MR. FRICKE: Yes, Your Honor. I would like to recall
10 Mr. Fricke to address the removal of restrictions. I neglected
11 to address that.

12 MR. HARLOW: Objection. Your Honor. I don't think
13 he can come back except on rebuttal. The witness has been taken
14 outside and presumably some coaching went on or "horseshedding"
15 as we call it.

16 (Mr. John Fricke confers with Mr. Fricke.)

17 JUDGE LOVINGER: I will sustain the objection at this
18 time.

19 MR. FRICKE: Your Honor, then we would call John
20 Rowley.

21 JUDGE LOVINGER: Mr. Rowley, will you please take the
22 stand again, and you are still under oath.

23 Thank you.

24 ////

25 ////

1 D I R E C T E X A M I N A T I O N

2 BY MR. FRICKE:

3 Q. Mr. Rowley, I have a couple of questions related to
4 the pier -- or arrangements with the piers as far as Shuttle
5 Express is concerned, and that is: Did you say that people who
6 walk up can actually purchase from your coordinators?

7 A. Yes, that's correct.

8 Q. Okay. Is there any formal agreement as far as
9 parking space that you utilize at the piers, either 66 or 91 or
10 both?

11 A. There is a formal agreement between us and Cruise
12 Terminals of America. And it doesn't speak specifically to the
13 parking arrangement, but it does speak to the ability to serve
14 the piers.

15 Q. Okay. Mr. Rowley, in your protest, one of the
16 indications was that your equipment was not fully utilized, and
17 yet in your testimony, you spoke to adding equipment and even
18 adding more -- planning on adding more equipment.

19 How do you reconcile those two? They seem to be
20 opposed to each other.

21 A. Our assumption is that we will continue to do more
22 business than what we did the previous year. And depending on
23 any volume of business, our intention is to keep adding
24 equipment to make sure that we're serving the public to the best
25 of our ability.

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1 Q. So your equipment isn't necessarily underutilized
2 now, looking toward the next cruise season?

3 A. Hard to say. Again, I think we're going to project
4 what we think will happen this next cruise ship season and if
5 need be, we will be ready for more equipment.

6 Q. Okay. I draw your attention to Exhibit JR-11.
7 Do you have a copy of that?

8 A. Yeah.

9 Q. And this apparently is -- relates to Docket No.
10 TC-110801.

11 Is this a filing by Shuttle Express?

12 MR. HARLOW: Just a minute.

13 Your Honor, I don't find that exhibit, and the
14 witness is looking for it, too.

15 JUDGE LOVINGER: It was originally listed as Exhibit
16 CA-4, and it was put in by Capital Aeroporter, not by Shuttle
17 Express.

18 MR. FRICKE: Right. I'm sorry.

19 MR. HARLOW: Do you have an extra copy for the
20 witness?

21 JUDGE LOVINGER: It should reflect time schedules.

22 MR. JOHN FRICKE: We've got one here.

23 MR. HARLOW: Is it "Time Schedule No. 10, Original
24 Page 34"?

25 JUDGE LOVINGER: That's correct.

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1 MR. HARLOW: Okay.

2 THE WITNESS: I have that in front of me now.

3 BY MR. FRICKE:

4 Q. So the last two pages listed as "Original Page 38"
5 and "Original Page 39," is it -- is this the filing after you
6 acquired the service to -- from Gray Line to downtown?

7 A. (Witness reviews document.)

8 This portion also includes the -- yes. That would
9 appear that's what it is.

10 Q. And would this also be the most recent filing of
11 schedule and rates or not?

12 A. This should be the most recent.

13 MR. HARLOW: If I may clarify, you're just referring
14 to 38 and 39?

15 MR. FRICKE: Yes.

16 MR. HARLOW: Okay.

17 THE WITNESS: We have a rate schedule pending, but
18 from the route schedule, this should be the most recent.

19 BY MR. FRICKE:

20 Q. And, Mr. Rowley, would you read the paragraph on page
21 38 that describes the service?

22 A. "TIME SCHEDULE NO. 12 of Shuttle Express, Inc.
23 (C-975) SCHEDULED PASSENGER SERVICE Downtown Seattle,
24 Washington, to and from SeaTac airport With scheduled stops at:
25 Hilton, Sheraton, Hyatt, Warwick, Westin, Fairmont, Renaissance,

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1 Crowne Plaza, Pier 66 and Pier 91. Pier 66 and Pier 91 operate
2 as Flag Stops only."

3 Q. Okay. And so does this affirm your earlier testimony
4 that -- that you do make intermediate stops between Sea-Tac
5 Airport and cruise ship piers?

6 A. It affirms the fact that those stops are on the
7 schedule and our operation is flexible to go to where the most
8 people are booked at to make the best direct routes that we can.
9 We use other vehicles oftentimes to adhere to the schedule.

10 Q. So, again, your services from between the airport and
11 the piers -- your scheduled services between the airport and
12 Pier 66 and Pier 91 are not nonstop, at least not all the time?

13 A. It is possible that they are not nonstop. They do
14 leave every half hour out of Sea-Tac.

15 MR. FRICKE: Okay. Thanks. That's all, Your Honor.

16 JUDGE LOVINGER: Thank you. Does Commission Staff
17 have any questions?

18 MS. CAMERON-RULKOWSKI: Nothing from Commission
19 Staff, Your Honor.

20 JUDGE LOVINGER: Okay. You may step down.

21 MR. HARLOW: Oh. I thought we were going to get
22 cross.

23 JUDGE LOVINGER: I'm sorry.

24 MR. HARLOW: Thank you, Your Honor.

25 JUDGE LOVINGER: Mr. Harlow, I forgot, and I

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1 apologize.

2 MR. HARLOW: I'll be brief.

3 MR. FRICKE: He's going to do cross?

4 MR. HARLOW: Yes.

5

6 C R O S S - E X A M I N A T I O N

7 BY MR. HARLOW:

8 Q. Mr. Rowley, when you are operating during a cruise
9 season on a day when a ship's in port, one of the busy days with
10 7,000 passengers, do most of your scheduled trips go straight or
11 without stop between the airport and the cruise terminal?

12 A. Yes. I would venture to guess that 95 percent of
13 them do. It may be towards the end of the day that that would
14 happen, that we would stop before, but the majority go direct.

15 MR. HARLOW: That's all I have. Thanks, Your Honor.

16 JUDGE LOVINGER: Thank you. Now, you may step down.

17 Mr. Fricke, you may call your next witness.

18 MR. FRICKE: Your Honor, the only other witnesses we
19 have are the ones that we're trying -- the AAA people that we're
20 trying to rearrange by phone and have had difficulty of getting
21 them in, at least to stay early. The one had indicated that she
22 was wasn't available today anyway, nor have we been able to
23 establish communication with a potential alternate from that
24 office. She had indicated that she would be back in the office
25 tomorrow morning.

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1 JUDGE LOVINGER: Do you have a time when we would be
2 able to hear from these witnesses tomorrow morning?

3 MR. FRICKE: Since their offices open at nine, I
4 guess it would be -- that's the earliest that I could probably
5 really communicate with them, so I'm thinking that -- I don't
6 know -- ten?

7 JUDGE LOVINGER: Okay. Well, we'll probably need to
8 decide a time before we leave today, because we're going to have
9 to figure out when people could call in onto the line. I'm not
10 sure of who's going to be coming down here, but we did want to
11 make it possible for everyone to participate by conference
12 bridge line tomorrow. So we'll try and figure that out, but
13 there's still more to go before then.

14 So that would conclude your testimony for today?

15 MR. FRICKE: Yes, sir, it is.

16 JUDGE LOVINGER: Thank you. Commission Staff, do you
17 have any witnesses?

18 MS. CAMERON-RULKOWSKI: Your Honor, I'm planning very
19 brief testimony from Mr. Gomez, and part of that testimony would
20 include a recommendation from Staff. And Staff would certainly
21 like to wait until it hears all the testimony to make a
22 recommendation. I don't expect that that testimony would last
23 longer than 15 minutes, and I would request that we go last.

24 JUDGE LOVINGER: So you would like to have his
25 testimony follow the telephone testimony tomorrow?

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1 MS. CAMERON-RULKOWSKI: That's correct, Your Honor.

2 JUDGE LOVINGER: Let's go off the record for a
3 moment.

4 (Pause in the proceedings.)

5 JUDGE LOVINGER: Let's go back on the record.

6 Ms. Cameron-Rulkowski, will you call your next
7 witness, please?

8 MS. CAMERON-RULKOWSKI: I call Mr. Gomez of
9 Commission Staff.

10

11 DAVID GOMEZ,

12 witness herein, having been first duly sworn on oath, was

13 examined and testified as follows:

14

15 JUDGE LOVINGER: Thank you.

16 Ms. Cameron-Rulkowski, you may proceed.

17 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

18

19 D I R E C T E X A M I N A T I O N

20 BY MS. CAMERON-RULKOWSKI:

21 Q. Good afternoon, Mr. Gomez.

22 A. Good afternoon.

23 Q. Please state and spell your name for the record.

24 A. David Gomez; D-a-v-i-d, G-o-m-e-z.

25 Q. Please state the name of your employer.

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1 A. The Washington Utilities and Transportation
2 Commission.

3 Q. In what position are you employed by the Commission?

4 A. I'm Deputy Assistant Director for solid waste, water,
5 and transportation.

6 Q. And how long have you been employed in this position?

7 A. Since May of 2007.

8 Q. And how long have you been employed by the
9 Commission?

10 A. Since May of 2007.

11 Q. Please briefly describe your responsibilities as they
12 pertain to this matter.

13 A. The responsibilities that I have for in this matter
14 particularly is the lead Staff assigned to work with the
15 information and data on hand to provide the analysis associated
16 with what position each of the different companies have, and
17 work with the Attorney General and Counsel to establish what the
18 actual position of the Commission will be in these matters, and
19 offer recommendation, if any, associated with the decision by
20 Your Honor.

21 Q. And I believe you meant the position of Commission
22 Staff; is that right?

23 A. That's correct.

24 Q. Thank you. And are you familiar with Shuttle
25 Express?

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1 A. Yes.

2 Q. How did you become familiar with Shuttle Express?

3 A. I became familiar with Shuttle Express from the
4 moment I started my position, working with them on a variety of
5 their different filings and just the normal course of business
6 in regulating them as a company.

7 Q. Are you familiar with Capital Aeroporter?

8 A. Yes.

9 Q. How did you become familiar with Capital Aeroporter?

10 A. The same as Shuttle Express; working with them on a
11 daily basis or almost-daily basis, virtually every day, on
12 different filings and matters related to the regulation.

13 Q. Have you reviewed the complaint history for both of
14 these companies?

15 A. Yes.

16 Q. And do either of these companies have a history of
17 informal complaints filed by consumers with the Commission?

18 A. There are none.

19 Q. And could you say that going back ten years that that
20 would be -- that your answer is accurate?

21 A. Yes. There have not been any complaints of either
22 company in the last ten years.

23 Q. Thank you. And have you reviewed the applications of
24 these two companies?

25 A. Yes.

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1 Q. Have you reviewed the hearing exhibits that have been
2 offered today by the Applicants?

3 A. Yes.

4 MS. CAMERON-RULKOWSKI: I have no further questions
5 today for Mr. Gomez.

6 JUDGE LOVINGER: Mr. Harlow, do you have any
7 questions for Mr. Gomez?

8 MR. HARLOW: Just give me a moment.

9 No, Your Honor.

10 JUDGE LOVINGER: Mr. Fricke, do you have any
11 questions of Mr. Gomez?

12 MR. FRICKE: No, Your Honor.

13 JUDGE LOVINGER: Thank you. You are excused for now.
14 Let's go off the record again for a few moments.

15 (Pause in the proceedings.)

16 JUDGE LOVINGER: Let's go back on the record.

17 We have this room tomorrow until noon, so as much as
18 I would like to get a later start than this, I think I'm still
19 going to ask that we start at 9:30.

20 Mr. Fricke, will you be able to get your witnesses on
21 the phone by 9:30?

22 MR. FRICKE: Well, I think ten would be a little
23 easier. I don't think it's going to take us two hours anyway,
24 do you think? I would feel more comfortable with ten, because I
25 know for sure that the one I can't reach before tomorrow...

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1 JUDGE LOVINGER: Is there any objection to starting
2 at ten?

3 MS. CAMERON-RULKOWSKI: No objection from Commission
4 Staff.

5 MR. HARLOW: No objection.

6 JUDGE LOVINGER: Okay. Then we will start at ten
7 tomorrow.

8 MR. HARLOW: I guess, Your Honor, can we have kind of
9 a cutoff, as we've been waiting for these witnesses pretty much
10 all afternoon.

11 So if we're going to start at ten, can we say that
12 any witnesses that aren't here --

13 MR. FRICKE: Either they're here or they're not.

14 MR. HARLOW: -- by 10:15, or we're done? Okay. In
15 that case, I think we can start at ten and finish by noon.

16 JUDGE LOVINGER: Okay. We'll accept it as an
17 agreement from Mr. Fricke that we will have them here within a
18 reasonable time after ten, and the indication seems to be 10:15.

19 MR. FRICKE: Okay. Is there anything else that we
20 have to take care of before we adjourn for the day? If not, we
21 are adjourned.

22 (Proceeding adjourned at 3:57 p.m.)

23 -oOo-

24

25

