DATE PREPARED: April 3, 2017   WITNESS: Jack Roemer
DOCKET: TC-143691, TC-160516   RESPONDER: Jack Roemer
REQUESTER: Shuttle Express, Inc.   TELEPHONE: (206) 233-2895

Data Request No. 51:

Referring to Mr. Roemer's testimony at p. 48 (lines 17-25), describing the use of "average variable cost."

(a) Provide a complete definition of the term "average variable cost" as this term is being used by Mr. Roemer, including the formula that Mr. Roemer believes should be used to calculate "average variable cost.

(b) Does Mr. Roemer believe that "average variable cost" should be calculated by dividing total variable cost by a specified number of units? If yes, provide a complete definition of the term total variable cost and a complete description of the units that should be used to convert total variable costs into average variable costs. If no, explain in detail how Mr. Roemer believes that average variable costs should be calculated

RESPONSE to Data Request No. 51:

Speedishuttle objects to the extent this data request seeks information on the precise cost inputs used by Speedishuttle to calculate the total variable costs provided in the financial statement previously produced under a confidentiality agreement. That information is proprietary and will not be disclosed to a competitor who will seek to use it to gain a competitive advantage.

Further, Speedishuttle objects to Shuttle Express' attempt to obtain further information on this subject matter without producing any information on Shuttle Express' own variable costs. Shuttle Express objected and did not provide any information to Speedishuttle's data requests designed to compare Speedishuttle's average variable costs to those of Shuttle Express. Speedishuttle adopts the following objection asserted by Shuttle Express in response to Speedishuttle's Data Request No. 31 seeking information on variable costs of Shuttle Express:

> "Shuttle Express objects to the terminology and definitions purportedly
> applied to each and every data request. The terms and definitions are
> biased in nature and responses that acknowledge such terminology could
> be prejudicial or misleading. Shuttle Express further objects to this
> request as overbroad, unduly burdensome, irrelevant in the discovery
> sense, imposed for an improper competitive and harassing purpose and not
> made in good faith. Moreover, Shuttle Express objects that this question

SPEEDISHUTTLE'S RESPONSES TO SHUTTLE EXPRESS'
THIRD DATA REQUESTS - 11

seeks proprietary and competitively damaging information and is thus
sought for an improper purpose, particularly in light of the unavailability
of a protective order in this proceeding. Sharing specific cost and revenue
data with a competitor would essentially, and unfairly, enable that
competitor to target its services, marketing, and fares to better compete
with Shuttle Express for the most profitable territories and services and to
avoid competing for the less profitable or unprofitable territories an
service."

Subject to and without waiving the foregoing objection, Speedishuttle will answer the request
to the extent that a response can be provided without disclosing trade secrets protection.
"Average variable cost" is subject to multiple definitions. Generally, it is defined as a
company's variable costs divided by the quantity of output. For a transportation company, the
output would be defined as the total number of trips made. Speedishuttle includes in its
calculation of "variable costs," the costs associated with making trips "incremental costs," as
discussed in Exhibit No. ___(HJR-1T), including driver wages and benefits and vehicle
operation expenses.

SPEEDISHUTTLE'S RESPONSES TO SHUTTLE EXPRESS'
THIRD DATA REQUESTS - 12

Williams, Kastner & Gibbs PLLC
Two Union Square, Suite 4100 (98101-2380)
Mail Address: P.O. Box 21926
Seattle, Washington 98111-3926
(206) 628-6600

6020940.1

DATE PREPARED: April 3, 2017   WITNESS: Jack Roemer
DOCKET: TC-143691, TC-160516   RESPONDER: Jack Roemer
REQUESTER: Shuttle Express, Inc.   TELEPHONE: (206) 233-2895

Data Request No. 52:

Referring to Mr. Roemer's testimony at p. 49 (lines 1-4), describing the expenses that "go into average variable cost."

> (a)   Provide a complete listing of all elements that Mr. Roemer should be used to calculate total variable cost, including but not limited to the illustrative examples provided in his testimony.

> (b)   Provide a complete listing of all elements that Mr. Roemer should be used to calculate average variable cost, including but not limited to the illustrative examples provided in his testimony.

RESPONSE to Data Request No. 52:

Speedishuttle objects that asking Mr. Roemer to provide information on a subject about which Shuttle Express objected and did not provide similar data by which comparisons can be made. Speedishuttle further objects to providing proprietary information used in evaluating performance, as Shuttle Express has repeatedly demonstrated in this proceeding that it intends to use discovery to appropriate trade secrets from Speedishuttle.

Speedishuttle further objects that this request is unreasonably cumulative of Data Request No. 51, which requested the same information. Further, the number of these repetitive requests appears designed to harass Speedishuttle through unnecessary expense of objecting and/or responding repeatedly.

Subject to and without waiving the foregoing objection, see Speedishuttle's response to Data Request No. 51.

SPEEDISHUTTLE'S RESPONSES TO SHUTTLE EXPRESS'
THIRD DATA REQUESTS - 13

6020940.1

DATE PREPARED: April 3, 2017
DOCKET: TC-143691, TC-160516
REQUESTER: Shuttle Express, Inc.

WITNESS: Jack Roemer
RESPONDER: Jack Roemer
TELEPHONE: (206) 233-2895

Data Request No. 53:

For SpeediShuttle's operations in Washington, provide a calculation of its average variable cost for each month of operation. Include the formula used for the calculation, populated with the appropriate values for each time period.

RESPONSE to Data Request No. 53:

Speedishuttle objects to providing any information beyond what it provided in response to Data Request No. 51 regarding variable costs. Shuttle Express objected to and refused to provide information regarding its variable costs. Speedishuttle now adopts the following objection asserted by Shuttle Express in response to Speedishuttle's Data Request No. 31 seeking information on variable costs of Shuttle Express for the purpose of its response here:

> "Shuttle Express objects to the terminology and definitions purportedly applied to each and every data request. The terms and definitions are biased in nature and responses that acknowledge such terminology could be prejudicial or misleading. Shuttle Express further objects to this request as overbroad, unduly burdensome, irrelevant in the discovery sense, imposed for an improper competitive and harassing purpose and not made in good faith. Moreover, Shuttle Express objects that this question seeks proprietary and competitively damaging information and is thus sought for an improper purpose, particularly in light of the unavailability of a protective order in this proceeding. Sharing specific cost and revenue data with a competitor would essentially, and unfairly, enable that competitor to target its services, marketing, and fares to better compete with Shuttle Express for the most profitable territories and services and to avoid competing for the less profitable or unprofitable territories an service."

Finally, the Administrative Law Judge ruled on March 28, 2017 during a discovery conference at the deposition of Mr. Roemer made the following ruling regarding sustainability:

> JUDGE PEARSON: I'll just restate as I have multiple times throughout this process that the only financial information that the Commission is concerned with is whether SpeediShuttle is providing service below cost. So that's just the cost of providing the service, what they're recouping for

SPEEDISHUTTLE'S RESPONSES TO SHUTTLE EXPRESS'
THIRD DATA REQUESTS - 14

Williams, Kastner & Gibbs PLLC
Two Union Square, Suite 4100 (98101-2380)
Mail Address: P.O. Box 21926
Seattle, Washington 98111-3926
(206) 628-6600

6020940.1

that service. We didn't agree to look at the economic sustainability of both services. So your questions should be limited to getting at that one issue, and I'm kind of stunned that I'm having to explain that again.

SPEEDISHUTTLE'S RESPONSES TO SHUTTLE EXPRESS' THIRD DATA REQUESTS - 15

Williams, Kastner & Gibbs PLLC
Two Union Square, Suite 4100 (98101-2380)
Mail Address: P.O. Box 21926
Seattle, Washington 98111-3926
(206) 628-6600

6020940.1