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Sent: Thursday, March 31, 2016 10:04 AM

To: Albro, Thomas; Bowman, Stephanie; Creighton, John; Gregoire, Courtney; Felleman, Fred

Subject: Concerns regarding the new TNC program

Today, the Port of Seattle will kick off a pilot program for TNCs. This program, sponsored by the Port, has an emphasis on rideshare to be provided by TNC operators. Unfortunately, TNCs and independent contractors are not licensed to perform rideshare services in the State of Washington per the following:

Auto transportation company – RCW 81.68.010 - (3) "Auto transportation company" means every corporation or person, their lessees, trustees, receivers, or trustees appointed by any court whatsoever, owning, controlling, operating, or managing any motor-propelled vehicle used in the business of transporting persons and their baggage on the vehicles of auto transportation companies carrying passengers, for compensation over any public highway in this state between fixed termini or over a regular route, and not operating exclusively within the incorporated limits of any city or town. **(As our Supreme Court made clear decades ago, the Utilities and Transportation Commission (UTC), and not the Port, is empowered to regulate autotransportation, which includes ridesharing. Port of Seattle v. Wash. Util. & Transp. Comm., 92 Wn.2d 789 (1979).)**

Certificates, general. WAC 480-30-086

(1) Certificate required. A person must have a certificate from the commission before operating as a passenger transportation company in the state of Washington.

Vehicles and Drivers – WAC 480-30-213

(1) The vehicles operated by a passenger transportation company must be owned by or leased to the certificate holder.

(2) The driver of a vehicle operated by a passenger transportation company must be the certificate holder or an employee of the certificate holder."

Shuttle Express learned of this program from a news release issued by the Port of Seattle on March 22, 2016. On March 24th, I sent a communication to the contact person listed on the release, including leaders in Ground Transportation, expressing the concerns outlined above and requested a retraction of any reference to share ride services. I was contacted by Ground Transportation on March 29th and was told the references to share ride services would not be retracted and emphasis was not on share ride.

On March 30th, UBER Newsroom released an announcement and with the first line reading:

"Excited to share your ride? UberPOOL brings more people together into fewer cars, which can help reduce traffic congestion overtime."

Clearly, from UBER's view, the pilot program sponsored by the Port is a key initiative in capturing the share ride market.

The Washington Utilities and Transportation Commission is aware of the March 22, 2016 news release and is researching the issue. We will contact the WUTC today and share UBER's news release of the intent to provide unlicensed share ride services.

Shuttle Express is an employee-based model with a license to perform quasi-public transportation. We cannot compete solely on price when we have to comply with minimum wage laws while most other transportation options are either independent contractor-based with no minimum wage requirement or public transportation that doesn't require a profit margin to remain in business. The TNC direction

sponsored by the Port under the name of protecting the environment is particularly frustrating to Shuttle Express, which has been providing low-emission propane transportation for up to 10 passengers per vehicle for more than five years.

We've been a good partner with the Port for 29 years and it's not our intent to bring an issue that might upset decision makers at the Port; we've already lost space at Pier 91 and can't afford to lose any more. However, this issue is too critical to ignore and we are continuing to investigate this new service to ensure that our rights are protected. We hope the Port has not in any way purported to authorize ridesharing to or from the airport by any service provider lacking the required UTC permit, such as by contract. In the meantime, we urge all Port officials not to state or suggest—publicly or privately—that the Port condones, permits, or will allow unlawful operations, such as ridesharing services, offered by entities that lack the required UTC certification, insurance, tariffs, and other requirements that are intended to protect the public.

Paul Kajanoff

President

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