

Seatac Shuttle, LLC

May 30, 2013

Docket TC-121328

Ann Rendahl
Chris Rose
UTC

RE: Docket TC-121328 Clarification

Dear Ann and Chris,

It is my understanding from conversations with other certificate holders that the trailing clause on the last sentence of section 480-30-YYY (2) (c), "of the base fare" is to be removed thereby bringing it in to concord with sub (12) of that section and codifying the initial intent of the language. While I feel that the language of (2) (c) is clear that the allotted *initial* 25% increase in base fare is to reflect a starting maximum fare, there have been questions raised as to how it is to be interpreted. There are some concerns that the initial 25% represents a lifetime cap on the increase in maximum fares and not just the initial increase during the first year of the institution of flexible fares. So that there is no question as to the operation of this section we propose, as has been done in other sections of 480-30, to provide an example of the calculations during the first 5 years after the declaration of opting for flex fares by an operator to be included in the language of this sub section. We have included such an example below.

Additionally, we presume, but would like assurances and clarification, that the maximum allowable flex increases are carried over at each anniversary and that the new maximum fare is calculated on that basis and not what the operator happens to be charging at that point in time which in fact may be a lower amount than permitted. In other words, if an operator is permitted a maximum fare of \$10.00 but has only been charging a fare of \$9.00 at anniversary time, the 5% increase in maximum fares will be based upon the \$10.00 number and not the \$9.00 that is being charged. This is a critical point as we are all concerned about unpredictable mandated healthcare costs and uncontrolled and uncontrollable fuel costs in the future. Without this flexibility and carryover we do not have any comfort that we will be able to deal with the very possible reality of sharp increases that may burden us in the not too distant future.

Our proposal: Draft WAC 480-30-YYY 2(c)

(2) (c) "Maximum fare" means a fare set initially at twenty-five percent above the company's base fare, as published in the company's effective tariff, except for tariff supplements. After a maximum fare has been published and become effective, the maximum fare will increase annually by five percent ~~of the base fare~~ **of the previous maximum fare.**

Ex.	Base Fare	Permitted increase	New Maximum fare
Yr 1	10.00	25% = 2.50	12.5
Yr 2	10.00	5% = 0.63	13.13

Yr 3	10.00	5%=	0.66	13.79
Yr 4	10.00	5%=	0.69	14.48
Yr 5	10.00	5%=	0.72	15.20

We realize that this is late in the comment period but feel that the questions have arisen enough times to warrant our input. Please consider these points in your final draft. As always, we still support the concept of the draft we just want to get it right with as little room for later problems as possible.

Thank you,

Michael Lauver
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