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SCUTTLE EXPRESS

Monopoly Service Plays Games by <u>Ben Jacklet</u> AUG 12, 1999

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ERIKA LANGLEY

FEW SHUTTLE EXPRESS DRIVERS STICK AROUND for long, but the rare ones who last more than a few months sure have some stories to tell.

Like the one about the driver who took a detour south of Boeing Field, picked up a hooker, got down to business in the company van, and got arrested.

Or the van that disappeared for a few days before turning up in the middle of a drug deal in Rainier Valley. Or the rookie driver who was too embarrassed to wake up his passenger to ask where Issaquah was, so he just kept driving east, all the way to Cle Elum.

Then there was the veteran driver who went AWOL for three days. The management team never called, and just waited for him to come in so they could fire him. But he never showed, because he was dead.

Drivers laugh as they relate these stories, but the wackiness highlights a serious problem with high turnover, something drivers believe management has a vested interest in.

Tom Fragasso, who worked for the company for six years before quitting in disgust and going back to school, says the whole structure of the company is designed to give disincentives to the few drivers who stick it out. "As far as management is concerned," he charges, "the ideal situation is to have you work for two months and then leave, because after four months they have to give you benefits."

Driver Dave Roche relates that in the three years he's been with Shuttle Express, more than 600 new drivers have been hired. It's this revolving-door syndrome that drivers and ex-drivers blame for the wacky misdeeds of short-time drivers. They also see it as indicative of a total lack of job security.

More than a year ago, the drivers at Shuttle Express tried to change the balance of power. Over 70 percent of the employees voted to unionize. However, all they have to show after a year of negotiations is a company proposal that promises to set up driver wages at a rate to be outlined in a mythical "Appendix A." Meanwhile, they're driving a thousand miles a week for less than eight bucks an hour.

You would think the company, a regulated monopoly with prices set by the state, would be able to provide decent wages for its drivers. Because Shuttle Express is the only company in the Seattle area offering door-to-door passenger van service to and from Sea-Tac airport, prices are set by the Washington Utilities and Trade Commission (WUTC), a three-member panel that regulates monopolies in Washington state.

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The monopoly situation has certainly been good for the company and its absentee president, Jimy Sherrell. In a little more than a decade, Shuttle Express has evolved from a side project of the now-defunct San Juan Airlines into an \$8 million company with 110 vans, 19 town cars, and 360 employees, transporting 600,000 people to and from the airport every year. Sherrell has a private plane for his own personal shuttles, between his home in Arizona, his yacht in the San Juan Islands, and company headquarters in Renton.

Shuttle Express drivers, meanwhile, earn anywhere between minimum wage and \$20,000 a year. Few of them are impressed with their high-flying boss, and some, like Roche, openly refer to him as "a two-bit lying weasel." Their distrust is visceral, and their accusations range from cooked accounting to less-than-honorable dealings with state regulators.

In 1994 the state granted Shuttle Express a rate hike to pay for a profit-sharing program for drivers. The state agreed to the rate hike on the condition that Shuttle Express would monitor its profit-sharing program in quarterly reports. Shuttle Express sent three quarterly reports to the state, then stopped sending them, and later dropped the profit-sharing program altogether. Meanwhile, Sherrell had dropped wages for drivers, claiming the profit-sharing would make up for it. But after the profit-sharing program ended, the pay stayed at the new lower rate. The state-approved rate hike stayed in place.

Five years later, the average driver still makes less than the \$8.15 an hour the company had penciled into its 1994 proposal to the state.

This spring, Shuttle Express got caught being less than honest with the state again. In April they asked the WUTC for a fuel surcharge of a dollar per trip; to make their case, Shuttle Express presented a \$1.499 per gallon gas receipt from an Exxon station in Renton. What they neglected to explain to the state was that the price on the receipt was 25 cents more per gallon than what van drivers pay, wholesale, at the company's own pumps.

The only reason the company got caught tweaking numbers was because drivers were pissed off at the stalled contract negotiations -- and they tipped off the state. On April 29, Shuttle Express "voluntarily" dropped their request.

Shuttle Express President Jimy Sherrell did not return *The Stranger*'s phone calls. VP John Rowley refused to comment on labor relations at the company. "Our concern is doing the right thing for our traveling public and for our employees," he said.

Despite the company's history of shenanigans, on July 28 the WUTC voted to allow Shuttle Express to raise customer rates. Most Seattle passengers will now pay \$20 to take the van to Sea-Tac, up from \$18. The rate increase went into effect August 1.

Although they may benefit slightly in the short run, the drivers fought the rate increase, because they don't want more money flowing into the company without a signed contract. Driver/negotiator Jake Rice pleaded with the commission to hold off until the company cleans house.

The commission was not swayed. WUTC staffer Lane Demas was comfortable with Shuttle Express' request, saying this time the state was able to "force [Shuttle Express] to be more honest with us."

Shuttle Express drivers, however, charge that the state regulation process doesn't protect workers or consumers. Rice says of his absentee boss, "He doesn't care about his customers any more than he cares about his drivers. He doesn't have to -- he has a monopoly."



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