

WAC 480-30-420 Fare flexibility. (1) It is in the public interest to provide flexibility to auto transportation companies to charge fares for service.

(2) For the purposes of this section, the following definitions apply:

(a) "Base fare" means the fares set forth in the company's tariff, except for tariff supplements, in effect on the date the company files a proposed tariff for flexible fares as a means to establish maximum fares.

(b) "Flexible fares" means the authority to charge, at the company's discretion, fares in any amount at or below the maximum fares.

(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.

(3) A company may file a tariff with the commission to charge flexible fares. Because the filing authorizes the company to increase or decrease any fare at any time, singly or in any combination, the tariff must be filed on thirty days' notice to the commission under RCW 81.28.050. The tariff must show the base fares in effect on the date of the tariff filing and the maximum fares the company may charge. Once the commission approves a flexible fare tariff, the base fare used to establish the maximum fare does not operate as a minimum fare.

(4) A company's tariff filing to charge flexible fares under this section is not subject to a review under WAC 480-30-421 or 480-30-426.

(5) If a company seeks to charge fares above the maximum fare, the company must file tariff revisions in compliance with WAC 480-30-421 or 480-30-426 and all other filing requirements, including tariff publication rules and notice requirements.

(6) If a company seeks to offer free fares, the company must file tariff revisions, if not already contained in the tariff, in compliance with WAC 480-30-396 and all other filing requirements, including tariff publication rules and notice requirements.

(7) Any change in the fares charged by a company at or below the maximum fares is not considered a tariff change and is not subject to tariff filing rules, publication rules and notice requirements under this chapter. Companies may provide notice of changes in fares that the company will charge by posting their actual fares on the company's website, or notices or brochures provided to customers, subject to the requirements in subsections (8) and (14) of this section.

(8) If a company changes the fare it charges, at or below the maximum rate, it must honor the fares charged for tickets previously sold. However, the company may refund the amount paid for a ticket above the new fare.

(9) A tariff filing whose only purpose is to add a new service option or a service level which has not been previously included in the company's tariff must be filed on at least one business-day notice to the commission in compliance with WAC 480-30-301.

(10) A tariff filing that changes the fare design that results in an increase in the effective base fare must be filed on at least thirty calendar days' notice to the commission as required by WAC 480-30-311 and must comply with filing requirements in WAC 480-30-421 or 480-30-426, as well as tariff filing, publication and notice requirements under this chapter. A company may request an exemption from the tariff filing, publication or notice requirements. An example of a

change in the fare design would be current fares published by zip code and proposed fares published by mileage.

(11) A company authorized to charge flexible fares must use the fares to recover all costs associated with providing passenger service, including, but not limited to, fuel costs, tolls, ferry fares, surcharges, and taxes. Any fuel surcharge in effect at the time the company is authorized to charge flexible fares will be canceled and not included in the base fare. A company may not impose any charge on any customer other than a single fare for passenger service provided. This would not affect the company assessing charges for accessorial services (e.g., baggage, cancellation fees, or refund transaction fees) published in the company's tariff at the time the commission approves a flexible fares tariff.

(12) Effective May 1, 2014, and each May 1st thereafter, a company's maximum fare will increase by five percent. Each company will implement the adjusted flexible fare by filing the appropriate tariff pages at least thirty days before the effective date of the change.

(13) If a company seeks to change the base fare upon which the commission has approved flexible fares, the proposed tariff filing will be subject to an earnings review or rate case under WAC 480-30-421 or 480-30-426, and all tariff publication rules and notice requirements.

(14) In providing notice to consumers or in its advertising, the company may not state that the commission approved or established a specific fare, but may state that the fare is set pursuant to a flexible fare tariff.

(15) An example of the maximum fare calculation follows:

Year	Base Fare	Maximum Fare	Explanation
0	\$41.00	\$41.00	
1	\$41.00	\$51.25	25% above Base Fare
2	\$41.00	\$53.81	5% increase in Maximum Fare
3	\$41.00	\$56.50	5% increase in Maximum Fare
4	\$41.00	\$59.33	5% increase in Maximum Fare
5	\$41.00	\$62.29	5% increase in Maximum Fare
6	\$41.00	\$65.41	5% increase in Maximum Fare

Note: Rounding: Fares are rounded to \$.01.
If the value of the number to the right of the rounding digit is less than five, the rounding digit is left unchanged.
If the value of the number to the right of the rounding digit is five or higher, the rounding digit is raised by one.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.04.250, 81.68.030, and 81.68.040. WSR 13-18-003 (Docket TC-121328, General Order R-572), § 480-30-420, filed 8/21/13, effective 9/21/13.]