

BEFORE THE  
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 341

IN THE MATTER OF:

Served February 24, 1964

School Fare Subsidy Certifica- )  
tion to the Commissioners of )  
the District of Columbia for )  
Fiscal Period Ending August 31, )  
1963 - WMA Transit Company )

Under Public Law 87-507, approved June 28, 1962, the Washington Metropolitan Area Transit Commission is charged with the duty of certifying to the Commissioners of the District of Columbia data pertaining to the income from mass transportation operations in the District of Columbia of any common carrier required to furnish transportation to school children at a reduced fare by Act of Congress of August 9, 1955.

WMA Transit Company, 4421 Southern Avenue, S. E., Washington 19, D. C., furnishes transportation which comes within the purview of Public Law 87-507.

The Law specifies that the fiscal period shall be for the twelve months ended on August 31st, and that the "net operating income" shall pertain to "mass transportation operations in the District of Columbia." Accordingly, this Commission has prepared an Operating Statement for WMA Transit for the twelve months ended August 31, 1963, based on an audit by the Commission's accounting staff of the books and records of the Company.

After determining that WMA's net operating income for the fiscal year ending August 31, 1963, amounted to \$21,935.42, allocation was made between "mass transportation operations in the District of Columbia" and all other operations of the Company, using formulas based on relative miles and hours operated, and passengers carried.

As a result of these allocations, it was determined that WMA Transit's "mass transportation operations in the District of Columbia" for the fiscal year ending August 31, 1963, resulted in a net operating loss of \$184,480.92. It is to be noted that the procedures and allocations described above were utilized only in order to give effect to the specific circumscriptions of Public Law 87-507.

The Audited Operating Statement of WMA Transit Company for the twelve months ended August 31, 1963, and schedules showing development of the allocation factors, are appended to this Order.

CERTIFICATION TO THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA

Based on the findings set forth herein, the Washington Metropolitan Area Transit Commission hereby certifies to the Commissioners of the District of Columbia, with respect to WMA Transit Company, for the twelve months ended August 31, 1963, as follows:

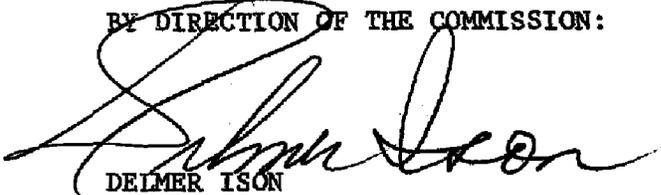
1. a. Total of all reduced fares paid to WMA Transit by schoolchildren in accordance with Act of Congress \$ 23,270.00
- b. Amount which would have been paid if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation \$ 46,540.00
- c. Difference \$ 23,270.00
2. a. Gross Operating Revenues of WMA Transit for the twelve months ended August 31, 1963, applicable to mass transportation operations in the District of Columbia, exclusive of any school fare subsidy \$298,479.00
- b. Rate of return established by the regulatory Commission having jurisdiction in such carrier's last rate case. In Order No. 3 of the Washington Metropolitan Area Transit

Commission, dated April 28, 1961, without establishing a fair rate of return for this Company, the Commission approved temporary fares which were already in effect. The return on gross revenues for the audit period involved (1960) was found to be 4.07%. Rate Case Order No. 312, dated September 20, 1963, likewise did not establish a specific fair rate of return.

4.07%

- c. Indicated Return Allowable, using 4.07% \$ 12,148.10
  - d. Net Operating Income or (Loss) from mass transportation operations in the District of Columbia for the twelve months ended August 31, 1963, after giving effect to tax exemptions, and exclusive of any school fare subsidy (\$184,480.92)
  - e. Deficiency \$196,629.02
3. Subsidy for which WMA Transit Company is eligible. \$ 23,270.00

BY DIRECTION OF THE COMMISSION:

  
DELMER ISON  
Executive Director



WMA TRANSIT COMPANY  
 OPERATING STATEMENT FOR FISCAL YEAR ENDED 8-31-63  
 AND ALLOCATIONS TO DETERMINE NET OPERATING INCOME  
 FROM MASS TRANSPORTATION OPERATIONS IN THE  
 DISTRICT OF COLUMBIA

	Total Company Operations Per WMATC Audit	Method of Allocating Mass Transportation Operations to D.C.	Allocation to Mass Transportation Operations in the District of Columbia
<u>Depreciation Expense</u>			
Buses	\$ 41,735.39	R.R.P.	\$ 25,052.81
Fare Boxes	1,050.64	R.R.P.	659.49
Hubodometers	42.00	R.R.P.	26.36
Service Cars & Equipment	3,330.79	T.S.P.	1,843.26
Service Radios	3,377.59	R.R.P.	2,120.11
Shop and Garage Equipment	1,012.61	T.S.P.	560.38
Furniture and Office Equipment	639.08	T.S.P.	353.67
Neon Sign	50.00	T.S.P.	27.67
Bus Stop Signs	289.39	R.R.P.	181.65
Safety Equipment	576.98	T.S.P.	319.30
Depreciation Adjustment Account	<u>973.37</u>	R.R.P.	<u>610.98</u>
<b>Total Depreciation Expense</b>	<b>\$ 53,077.84</b>		<b>\$ 31,755.68</b>
<u>Operating Rents</u>			
Equipment Rents	\$ 7,666.32	R.R.P.	\$ 4,812.15
Other Operating Rents	<u>42,554.28</u>	T.S.P.	<u>23,549.54</u>
<b>Total Operating Rents</b>	<b>\$ 50,220.60</b>		<b>\$ 28,361.69</b>
<u>Operating Taxes</u>			
Federal & State Gas & Oil Tax	\$ 55,525.53	M-T	\$ 15,386.12
D. C. Vehicle Tags	6,983.21	Direct	4,608.92
Md. Vehicle Tags	8,008.25	Direct	-0-
Tire & Tube Taxes	2,265.98	M	582.58

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	Total Company Operations Per WMATC Audit	Method of Allocating Mass Transportation Operations to D.C.	Allocation to Mass Transportation Operations in the District of Columbia
	<hr/>	<hr/>	<hr/>
<u>Operating Taxes</u> - Cont'd			
Payroll Taxes	\$ 33,243.01	T	\$ 9,873.17
All Other Taxes	<u>4,477.29</u>	T.S.P.	<u>2,477.73</u>
Total Taxes	<u>\$ 110,503.27</u>		<u>\$ 32,928.52</u>
Total Operating Revenue Deductions	<u>\$1,169,945.68</u>		<u>\$482,959.92</u>
Net Operating Revenue (Loss)	<u>\$ 21,935.42</u>		<u>(\$184,480.92)</u>

**WMA TRANSIT COMPANY  
DETERMINATION OF ALLOCATION FACTORS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 1963**

**BASES**

**FACTORS**

**(R) - Revenue**

Regular Route Revenue:  
D. C. Local  
Md. and Interstate  
Other than Mass Transit

	\$ 297,215	25.27%
	628,433	53.43%
	<u>250,500</u>	<u>21.30%</u>

Total

\$1,176,148 100.00%

**(R.R.P.) - Regular Route Passengers**

**(T.S.P.) - Total System Passengers**

**Passengers  
Carried During  
the Fiscal Year**

(a)	D. C. Local	1,651,058
(b)	Interstate - Local	818,456
(c)	Interstate - Express	410,337
(c-1)	Maryland Local	236,000
(c-2)	Charter	<u>528,396</u>

Total Passengers 3,644,247

		<b><u>(R.R.P.)</u></b>	<b><u>(T.S.P.)</u></b>
Passengers Assigned to D.C. (a+b)	2,469,514	62.77%	55.34%
Passengers Assigned to Md. (b+c+c-1)	1,464,793	37.23%	32.82%
Passengers Assigned to Charter (c-2)	528,396	<u>11.84%</u>	

100.00% 100.00%

**(M) - Mileage - Passenger**

Scheduled weekday bus miles: D.C. (average for year)	2,251.2 =	45.80% (d)
Md. (average for year)	2,664.1 =	<u>54.20% (e)</u>

100.00%

WMA TRANSIT COMPANY  
 DETERMINATION OF ALLOCATION FACTORS  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 1963

BASES

FACTORS

(T) - Time - Passenger

Scheduled weekday bus minutes: D.C. (average for year)		11,491 = 53.91%	(n)
Md. (average for year)		<u>9,823 = 46.09%</u>	(o)
		<u>21,314</u>	<u>100.00%</u>

Total Drivers' Hours		181,119	
Charter Drivers' Hours		<u>31,883</u>	

Regular Route Drivers' Hours		<u>149,236</u>	
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Regular Route Time: D.C. (149,236 x 53.91%)		80,453 = 44.42%	(p)
Md. (149,236 x 46.09%)		68,783 = 37.98%	(q)
Other than Mass Transit		<u>31,883 = 17.60%</u>	(r)

181,119    100.00%

Factors to be used:

D. C. Local			(p) x (i) = 29.70%		(s)
Md. and Interstate			(q) + (p x j) = 52.70%		(t)
Other than Mass Transit			(r)		<u>= 17.60%</u> (u)

100.00%

(M - T) - Average of Mileage and Time

		<u>(M)</u>		<u>(T)</u>		<u>Average</u>
D. C. Local	(k)	25.71%	(s)	29.70%		27.71% (v)
Md. and Interstate	(l)	58.24%	(t)	52.70%		55.47% (w)
Other than Mass Transit	(m)	16.05%	(u)	17.60%		<u>16.82%</u> (x)

100.00%