

BEFORE THE
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
WASHINGTON, D. C.
ORDER NO. 649

IN THE MATTER OF:

Served October 28, 1966

School Fare Subsidy Certifi-)
cation to the Commissioners)
of the District of Columbia)
for Fiscal Period Ending)
August 31, 1965 -- W M A)
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.

W M A Transit Company, 4421 Southern Avenue, S. E., Washington, D. C. 20019, 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 W M A Transit for the twelve months ended August 31, 1965, based on an audit by the Commission's accounting staff of the books and records of the Company.

After determining that W M A's net operating income for the fiscal year ending August 31, 1965, amounted to \$196,124.04, 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 W M A Transit's "mass transportation operations in the District of Columbia" for the fiscal year ending August 31, 1965, resulted in a net operating loss of \$23,079.49. 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 W M A Transit Company for the twelve months ended August 31, 1965, and schedules showing development of the allocation factors, are appended to this Order.

CERTIFICATION TO THE COMMISSIONERS
OF THE DISTRICT OF COLUMBIA

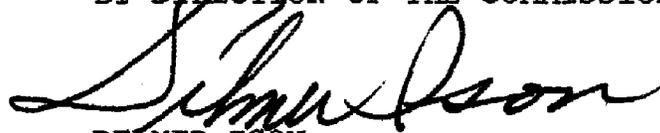
Based on the findings set forth herein, the Washington Metropolitan Area Transit Commission hereby certifies to the Commissioners of the District of Columbia, with respect to W M A Transit Company, for the twelve months ended August 31, 1965, as follows:

1. a. Total of all reduced fares paid to W M A Transit by school children in accordance with Act of Congress (214,402 fares @ 10¢) \$21,440.20

- 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 \$53,600.50

c.	Difference (214,402 fares @ 15¢ = <u>\$32,160.30</u>)	\$ 32,160.30
2. a.	Gross Operating Revenues of W M A Transit for the twelve months ended Aug- ust 31, 1965, applicable to mass transportation operations in the District of Columbia, exclusive of any school fare subsidy	\$388,610.29
b.	Rate of return established by the regulatory commission having jurisdiction in carrier's last rate case. (WMATC Order No. 312, issued September 20, 1963.)	2.23%
c.	Indicated Return Allowable	\$ 8,666.01
d.	Net Operating Income or (Loss) from mass transportation opera- tions in the District of Colum- bia for the twelve months ended August 31, 1965, after giving effect to tax exemptions, and exclusive of any school fare subsidy	\$ (23,079.49)
e.	Deficiency	\$ 31,745.50
3.	Subsidy for which W M A Transit Company is eligible:	\$ 31,745.50
	maximum-(1.c.)	\$ 32,160.30
	limitation imposed by (2.e.)	\$ 31,745.50
	certified herein	\$ 31,745.50

BY DIRECTION OF THE COMMISSION:



DELMER ISON
Executive Director

W M A TRANSIT COMPANY
OPERATING STATEMENT FOR FISCAL YEAR ENDED 8-31-65
AND ALLOCATIONS TO DETERMINE NET OPERATING INCOME
FROM MASS TRANSPORTATION OPERATIONS IN THE
DISTRICT OF COLUMBIA

<u>Operating Revenues</u>	<u>Total Company Operations Per WMATC Audit</u>	<u>Method of Allocating to Mass Trans- portation Operations</u>	<u>Allocation to Mass Transit Operations</u>	<u>Method of Allocating Mass Transportation Operations to D. C.</u>	<u>Allocation to Mass Transportation Operations in the District of Columbia</u>
Regular Route Revenues	\$1,322,159.73	Direct	\$1,322,159.73	Direct	\$386,381.51
Charter Bus Revenues	362,590.09	Direct	-0-	Direct	-0-
Other Operating Revenues:					
Apartment Subsidies	14,760.00	Direct	14,760.00	Direct	-0-
Other	<u>9,256.75</u>	(R)	<u>7,628.24</u>	(R)	<u>2,228.78</u>
Total Operating Revenues	1,708,766.57		1,344,547.97		388,610.29
 <u>Operating Revenue Deductions</u>					
Equipment Maintenance and Garage Expense:					
Repairs--Revenue Equipment	118,680.15	(M)	99,928.69	(M-P)	18,027.52
Tires and Tubes	26,508.40	(M)	22,320.07	(M-P)	4,026.63
All Other	99,415.62	(M)	83,707.95	(R.R.P.)	39,543.64
Transportation Expense:					
Supervision--Transportation	47,533.61	(H)	38,131.46	(R.R.P.)	18,013.30
Drivers' Wages and Bonuses	511,472.06	Direct (H)	409,080.36	(T-P)	103,009.51
Fuel and Oil--Revenue Equipment	78,658.06	(M)	66,230.08	(M-T)	14,259.34
Purchased Transportation	1,011.40	Direct	-0-	Direct	-0-
Road Expense	101.20	(M)	85.21	(R.R.P.)	40.25
Other Transportation Expense	4,739.12	Direct	3,826.91	(R.R.P.)	1,807.83
Traffic, Solicitation and Advertising Expense	55,735.52	Direct	44,549.48	(R.R.P.)	21,045.17
Insurance and Safety Expenses:					
Public Liability Insurance	82,895.00	(T.S.P.)	69,814.17	(R.R.P.)	32,980.21
Property Damage Insurance	16,584.35	(M)	13,964.02	(M-P)	2,519.16
Injuries and Damages	6,775.00	(T.S.P.)	5,705.90	(R.R.P.)	2,695.47
All Other	14,076.70	(H)	11,292.33	(R.R.P.)	5,334.50
Administrative and General Expenses:					
Employee Welfare Expense	9,789.11	(H)	7,852.82	(T-P)	1,977.40
All Other	<u>121,938.02</u>	(H)	<u>97,818.68</u>	(R.R.P.)	<u>46,209.54</u>
Total Operating and Maintenance Expenses	\$1,195,913.32		\$ 974,308.13		\$311,489.47

<u>Depreciation Expense</u>	Total Company Operations Per WMATC Audit	Method of Allocating to Mass Trans- portation Operations	Allocation to Mass Transit Operations	Method of Allocating Mass Transportation Operations to D. C.	Allocation to Mass Transportation Operations in the District of Columbia
Buses	\$ 75,220.24	Direct (H)	\$ 61,540.01	(R.R.P.)	\$ 29,071.50
All Other	<u>23,112.00</u>	(H)	<u>19,264.54</u>	(R.R.P.)	<u>9,100.57</u>
Total Depreciation Expense	98,332.24		80,804.55		38,172.07
 <u>Operating Taxes</u>					
Federal and State Gas and Oil Tax	70,038.46	(M)	58,972.38	(M-T)	12,696.75
Vehicle Tags	18,535.36	(H)	14,869.07	(R.R.P.)	7,024.15
Tire and Tube Taxes	4,353.49	(M)	3,665.64	(M-P)	661.30
Payroll Taxes	34,068.99	(H)	27,330.14	(T-P)	6,881.94
All Other Taxes	<u>5,328.88</u>	(H)	<u>4,274.83</u>	(R.R.P.)	<u>2,019.43</u>
Total Taxes	132,325.18		109,112.06		29,283.57
 <u>Operating Rents</u>					
Equipment Rents	35,720.57	(M)	30,076.72	(R.R.P.)	14,208.24
Other Operating Rents	<u>47,457.48</u>	(M)	<u>39,959.20</u>	(R.R.P.)	<u>18,876.73</u>
Total Operating Rents	<u>83,178.05</u>		<u>70,035.92</u>		<u>33,084.97</u>
Total Operating Revenue Deductions	<u>1,509,748.79</u>		<u>1,234,260.66</u>		<u>412,030.08</u>
Net Operating Revenue before Provision for Income Taxes	199,017.78		110,287.31		(23,419.79)
Provision for Income Taxes	<u>2,893.74</u>	(Note A)	<u>1,603.71</u>	(Note A)	<u>(340.30)</u>
Net Operating Income (Loss)	<u>\$ 196,124.04</u>		<u>\$ 108,683.60</u>		<u>\$ (23,079.49)</u>

CODE FOR METHODS:

- (R) Revenue
- (R.R.P.) Regular Route Passengers
- (M-P) Mileage and Passengers
- (T-P) Time and Passengers
- (M-T) Average of (M-P) and (T-P)
- (M) Mileage
- (H) Driver's Hours
- (T.S.P.) Total System Passengers
- (Note A) Income Tax is allocated by applying the overall effective tax rate to each segment of company's operations.

W M A TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDED AUGUST 31, 1965

BASES

FACTORS

(R) - Revenue

Regular Route Revenue:

D. C. Local	\$ 386,381.51	22.93%
Md. and Interstate	935,778.22	55.55%
Other Than Mass Transit	<u>362,590.09</u>	<u>21.52%</u>

Total Regular Route Revenue	1,684,749.82	<u>100.00%</u>
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Apartment Subsidies	14,760.00	
Other	<u>9,256.75</u>	

Total Revenue	\$1,708,766.57	
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(R.R.P.) - Regular Route Passengers

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

Passengers
Carried During
Fiscal Year

(a) D. C. Local	1,829,262
(b) Interstate - Local	1,266,141
(c) Interstate - Express	490,728
(d) Maryland Local	286,001
(e) Charter	<u>725,607</u>

Total Passengers	<u>4,597,739</u>
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		<u>(R.R.P.)</u>	<u>(T.S.P.)</u>
Passengers assigned to D.C. (a)	1,829,262	47.24%	39.79% (a)
Passengers assigned to Other Than D. C. (b+c+d)	2,042,870	52.76%	44.43% (b)
Passengers assigned to Charter (e)	725,607	-	<u>15.78%</u> (c)
		<u>100.00%</u>	<u>100.00%</u>

(M-P) Mileage - Passenger

Scheduled Bus Miles:

D. C.	812,784	35.36% (d)
Md.	<u>1,485,786</u>	<u>64.64%</u> (e)

Total Regular Route Scheduled Miles	<u>2,298,570</u>	<u>100.00%</u>
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Total Miles	2,676,755	
Charter Miles	<u>(422,936)</u>	

Regular Route Miles	<u>2,253,819</u>	
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Regular Route Miles in:

D. C. (2,253,819 x 35.36%)	796,950	29.77% (f)
Md. (2,253,819 x 64.64%)	1,456,869	54.43% (g)
Charter Miles	<u>422,936</u>	<u>15.80%</u> (h)

	<u>2,676,755</u>	<u>100.00%</u>
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W M A TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDED AUGUST 31, 1965

<u>BASES</u>			<u>FACTORS</u>
(M-P) Mileage - Passenger (cont'd)			
Passengers riding in D.C. - Local	1,829,262		51.01% (i)
Passengers riding in D.C. - Interstate	<u>1,756,869</u>		<u>48.99%</u> (j)
	<u>3,586,131</u>		<u>100.00%</u>
Factors to be used:			
D. C. Local	(f) x (i)		15.19% (k)
Md. and Interstate	(g) + (f x j)		69.01% (l)
Other Than Mass Transit	(h)		<u>15.80%</u> (m)
			<u>100.00%</u>
(T-P) Time - Passenger			
Scheduled Weekday Bus Minutes:			
D.C. (weekday hours per year)	4,429,474		49.37% (n)
Md. (weekday hours per year)	<u>4,541,979</u>		<u>50.63%</u> (o)
	<u>8,971,453</u>		<u>100.00%</u>
Total Drivers' Hours	230,330		
Charter Drivers' Hours	<u>(45,568)</u>		
Regular Route Drivers' Hours	<u>184,762</u>		
Regular Route Time:			
D.C. (184,762 x 49.37%)	91,217		39.60% (p)
Md. (184,762 x 50.63%)	93,545		40.62% (q)
Other Than Mass Transit	<u>45,568</u>		<u>19.78%</u> (r)
	<u>230,330</u>		<u>100.00%</u>
Factors to be used:			
D. C. Local	(p) x (i)		20.20% (s)
Md. and Interstate	(q) + (p x j)		60.02% (t)
Other Than Mass Transit	(r)		<u>19.78%</u> (u)
			<u>100.00%</u>
(M-T) Average of Mileage Time			
	<u>(M)</u>	<u>(T)</u>	<u>Average</u>
D. C. Local	15.19% (k)	20.20% (s)	17.70% (v)
Md. and Interstate	69.01% (l)	60.02% (t)	64.51% (w)
Other Than Mass Transit	15.80% (m)	19.78% (u)	<u>17.79%</u> (x)
			<u>100.00%</u>
<u>AVERAGES AS ABOVE</u>			<u>FACTORS</u>
Mass Transit Ratio:			
D.C. Local		17.70% (v)	21.53% (y)
Md. and Interstate		64.51% (w)	<u>78.47%</u> (z)
			<u>100.00%</u>