WASHINGTON METROPOLITAN AREA
TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 907

IN THE MATTER OF:	)	Served January 16, 1969
	)	
Application of W. V. & M. Coach Company for Authority to Increase Fares	)	Application No. 536
	)	Docket No. 192

APPEARANCES:

MANUEL J. DAVIS, attorney for W. V. & M. Coach Company, Applicant

D. C. DANIEL, JR., (pro se), Protestant

JERRY K. EMRICH, attorney for Arlington County Board, Intervenor

RENN C. FOWLER, attorney for Washington Metropolitan Area Transit Commission

On October 23, 1968, Washington, Virginia and Maryland Coach Company, Inc. (WV&M) filed proposed fare increases pursuant to Section 5 of the Washington Metropolitan Area Transit Regulation Compact, Public Law 86-794, 74 Stat. 1031-1. WV&M's application, accompanied by appropriate tariffs, testimony, and exhibits, seeks, first, the establishment of new fare zone boundaries combining the existing first six zones into four new zones, and, second, approval of the following fares for regular route service between the District of Columbia and the Virginia zones:

(1) Zone 1 - cash fare of 35¢ or interline ticket plus 15¢ cash.

(2) Zone 2 - cash fare of 50¢ or interline ticket plus 30¢ cash.

(3) Zone 3 - cash fare of 60¢ or interline ticket plus 40¢ cash.

(4) Zone 4 - cash fare of 70¢ or interline ticket plus 50¢ cash

(5) Zone 5 - cash fare of 80¢ or interline ticket plus 60¢ cash.

(6) Zone 6 - cash fare of 90¢ or interline ticket plus 70¢ cash.

(7) Zone 7 - cash fare of $1.00 or interline ticket plus 80¢ cash.

(8) Zone 8 - cash fare of $1.10 or interline ticket plus 90¢ cash.

(9) Zone 9 - cash fare of $1.35 or interline ticket plus $1.15 cash.

The interline ticket would sell for 35¢ cash, and the use of tokens would be eliminated.

By Order No. 886, issued November 26, 1968, the Commission suspended WV&M's proposed tariffs until February 24, 1969, pending investigation and hearing, and deferred use of the fares stated in the tariffs until decision herein.

Notice of the proposed fares and hearing thereon was given in accord with the Commission's Rules and Regulations. Five formal parties were admitted to the proceeding 1/ and the hearing was held on December 16, 1968.

The President of WV&M, S. A. DeStefano, testified for the applicant; the Commission's Chief Engineer, Charles W. Overhouse, and a Commission auditor, Edwin W. Brubaker, testified for the staff; the executive assistant to the Arlington County Public Utility Commission, Charles E. Hammond, testified for the County; and, a patron of the applicant, Doris C. Daniel, Jr., testified on his own behalf. In addition, several informal parties present at the hearing made brief statements.

1/ Only two appeared at the hearing and participated: D. C. Daniel, Jr. and The Arlington County Board.

The record consists of a transcript of 160 pages of testimony and 42 exhibits: 1-28, applicant; 1-3, intervenor; and 1-11, staff.

The nature of our task may be summarized briefly. Rates must be established which will produce revenue sufficient to cover all the company's legitimate expenses and provide it with a fair return. To that end, we project revenues and expenses for a period of time in the future. Only those expenses which are both justifiable and reasonably predictable are allowed.

In this proceeding both the staff and the applicant utilized a historical twelve-month period ending on July 31, 1968, and a future annual period ending on November 30, 1969, in order to calculate the need for a change in fares.

WV&M has not received an increase in fares since early 1967. It has been operating at a deficit during 14 of the last 19 months. It forecasts an operating loss of $433,000 during the future annual period if no rate relief were granted. On the basis of this, WV&M asserts that it needs an increase in rates.

As previously noted, WV&M has also proposed a change in zones. Except for minor adjustments, Zone 1 would remain the same. The Zone 2 boundary would be extended into part of present Zone 3. Extending this pattern, the number of zones would be reduced by six to four.

The effect of the zone boundary adjustment coupled with the increase in fare in each zone thus causes an increase for most riders. Nevertheless, WV&M contends that the changes are mandatory in order to meet its additional revenue requirements, and that the adjustments proposed are the most equitable and reasonable for all classes of passengers.

HISTORICAL FINANCIAL RESULTS

After a thorough and complete audit of the applicant's books, the staff recommended adjustments netting out to a reduction of $441.46 in the applicant's operating revenue deductions for the historical year. This has not been contested; it will be accepted. Accordingly, we find that the applicant had the following adjusted results during the historical year:

TABLE I

WV&M Coach Company, Inc.

Operating Statement for Twelve Months
Ended July 31, 1968, as Adjusted
By WMATC Staff

Operating Revenue	
Passenger Revenue	$4,118,413.14
Contract Charter Revenue	237,541.36
Other Charter Revenue	219,608.76
Other Operating Revenue	22,918.37
Total Operating Revenue	$4,598,481.63
Operating Revenue Deductions	
Operating Expenses	$3,967,835.51
Depreciation Expense	$ 321,886.47
Operating Taxes and License	311,376.66
Operating Rents	112,133.50
Income Taxes	-0-
Total Operating Revenue Deductions	$4,713,232.14
Net Operating Income (Loss)	$ (114,750.51)
Operating Ratio	102.50%
Rate of Return on Operating Revenue (Deficit)	(2.50%)

These historical year figures provide us with the basis upon which we can project results for the future annual period.

PROJECTED FINANCIAL RESULTS

Revenue and Expense

The company forecasted that, under present fares, its revenues for the future annual period would total $4,704,427. The staff's projections differ slightly: Revenue was forecast at $4,708,627. The $4,200 increase is due to an adjustment imputing other income to the company for distribution of the D. C. Examiner newspaper. As we did in the case of D. C. Transit System, Inc.,2/ we will accept the staff's figure and increase the company's estimate of miscellaneous income by that amount. The company's projected operating revenue deductions total $5,137,420. The staff's projection was $5,117,173. The difference is attributable to certain staff adjustments for non-recurring costs and various errors in calculation by applicant. In this respect, there is no dispute; the adjustments have not been contested. Consequently, we accept the staff's figure of $5,117,173.

At this point, one special matter requires comment, namely, wage expense. It has been our consistent practice to project wage expenses for the future annual period on the basis of the facts as they appear at the date of our decision.3/

After the hearing, the District of Columbia Consumer Price Index for November was released and showed an increase from 123.1 to 124.9 (from August 1968 to November 1968). Under the terms of the collective bargaining agreement, this change in the price index calls for an increase in operators' wages of 6¢ per hour, effective December 29, 1968. This will have the effect of increasing the company's labor and pension costs another $46,545.00, per WMATC staff projection, in addition to the $368,584 increase originally projected. Following our practice, the Commission will project wage expenses for the

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2/ See Order No. 773, p. 9, January 26, 1968.

3/ See Order No. 880, pp. 20-21, October 18, 1968; Order No. 773, pp. 14-15, January 26, 1968; and Order No. 656, p. 8, January 12, 1967.

future on the basis of the Index as of the date of our decision. Thus, the total increase in labor and labor-related expenses during the future annual period will amount to $415,129.

Here again is the precise nature of the problem we face. We note that the company's total operating revenue deductions will increase about $450,486 in the future annual period and $415,129 of this increase is attributable to the labor component. Thus, the present situation is provoked largely by increased labor costs.4/

We conclude that in the future annual period ending November 30, 1969, if the present fares are maintained, the company will experience the following results:

TABLE II
Income Statement
Future Annual Period Ending
November 30, 1969, at Present Fares

Operating Revenue	
Passenger Revenue	$4,242,992.00
Contract Charter Revenue	207,928.00
Other Charter Revenue	230,589.00
Other Operating Revenue	27,118.37
Total Operating Revenue	$4,708,627.37
Operating Revenue Deductions	
Operating Expenses:	
Equipment Maintenance and Garage Expense	$ 622,007.90
Transportation Expense	2,932,633.11
Station Expense	27,802.14
Traffic Solicitation and Advertising	42,070.15
Insurance and Safety Expense	188,255.90
Administration and General Expense	548,261.23
Total Operating Expenses	$4,361,030.43

4/ Of the $5,163,718.37 total operating revenue deductions projected (See Table II, *infra*), $3,317,143.37 represent wages, and $572,611.40 is for fringe benefits and payroll taxes. This accounts for 75.33% of the total.

Depreciation Expense	$ 366,125.31
Operating Taxes and Licenses	323,549.13
Operating Rents	113,013.50
Income Taxes	-0-
Total Operating Revenue Deduction	$5,163,718.37
Net Operating Income (Loss)	$(455,091.00)
Operating Ratio	109.67%
Rate of Return on Operating Revenue	(9.67%)

Obviously, if the present fare structure is maintained, the company will operate at a substantial loss. Moreover, it must also meet interest payments on its debt during the future annual period. This sum is $150,333. Adding this to the net operating loss of $455,091, the company's net loss would total $605,424 in the future annual period.

Since the existing fares will not produce revenues sufficient to meet expenses and provide a fair return, a new fare structure must be devised. We will first determine the total revenue requirement of the company, and then turn to a consideration of the fare structure required to produce those revenues.

In Table II, we determined the amount of expenses to be incurred in the future annual period. To this must be added an allowance for a fair return.

Generally, the return must be one that "enables it to cover interest on its debt, pay dividends sufficient to continue to attract investors, and retain a sufficent surplus to permit it to finance down payments on new equipment and generally to provide both the form and substance of financial strength and stability." D. C. Transit System, Inc. v. WMATC, 350 F. 2d 753, at 778.

Under the fare structure proposed by applicant, WV&M estimated a net operating income of $356,121, which it claims is a proper return.

Its witness, Mr. S. A. DeStefano, testified that a net operating income of $356,121

> "will provide for interest in the amount of $145,787 on the Company's long-term debt,

income taxes to be paid in the amount of $7,812, leaving a balance of $192,522, out of which the company must provide the following: (1) dividends to stockholders; (2) a contribution to surplus which may be used to make up the deficiency of replacement cost of operating property which the Reserve for Depreciation does not properly reflect; and (3) a contribution to surplus which will be a cushion for the period of time necessary between operating cost increases and the effective date of fare relief."

The staff's projection of net operating income was $368,440.90 which, as previously discussed, was not contested by the Company at the hearing.

This sum, $368,440.90, minus the $46,545.00 increase in the labor-related expenses and a $2,425.00 decrease in income taxes, will provide the company with a net operating income of $324,320.90, or a 5.90% return on gross operating revenues. For the reasons discussed below, we find that this is a proper return.

The principal risk that this carrier faces is the possibility that its revenues will fail to cover its operating and interest expenses. The record amply discloses the high degree of volatility of the carrier's expenses, and emphasizes its vulnerability to sudden and unexpected changes in operating expenses, such as occurs with changes in the Consumer Price Index.

On the rate base, a net operating income of $368,440.90 equates to a return of 11.53% on an average rate base of $2,813,913. (Staff Exhibit S-11). Since the net investment base is only one-half the carrier's requested revenues, such a return must be construed as conservative, if it can be used as a measurement at all. In the regular utility field where return on net investment base is the normal formula, and the investment usually several times annual revenue, most regulatory decisions allow 6 - 8% return. Applying that standard in this case would provide a return of approximately $170,000. Since applicant will incur debt expense of $150,000, a total return which barely meets interest is obviously inadequate. For example, consider that wage increases in the future annual period alone will total over $400,000. This is the real thrust that the operating ratio method is designed to accommodate.

The net operating income of $324,320.90, when related to the capital structure of the company provides a return on long-term capital of 12.80%. 5/ This return will allow debt service of 2.16 times, which falls within the accepted norm.

From the $324,320.90 allowed, $150,333.44 will be paid out in interest; this leaves approximately $173,987.46 to be returned to the equity holder. It is relevant at this point to note, per Staff Exhibit S-9, that during the latest 19-month period ending October, 1968, the company's earned surplus has been reduced by $353,759 to a deficit of $22,227. This carrier is under an order from this Commission to modernize its fleet. Hence, it can expect to purchase a minimum of 17 new air-conditioned buses in the future annual period. This will entail a capital program of at least $550,000. Historically, WV&M has been required to pay at least 10% in down-payments, and financing has exceeded 6% in past years.

WV&M has not paid a dividend since 1963; in fact, its deficit operation has threatened its ability to meet its working capital requirements.

Based upon these facts, the Commission finds that a margin of return of $324,321, representing a rate of return on gross operating revenues of 5.9%, is fair and reasonable. In our opinion, the return herein allowed is proper and not excessive.

RATE STRUCTURE

Having determined the revenue requirements of the carrier for the future annual period, there remains the problem of a specific schedule of rates designed to produce those revenues.

We start with the results to be expected at the fares proposed by WV&M. The following table sets out those results, taking into account the revenue and expense adjustments we have previously determined.

5/ Based on capital structure of $2,534,580 at 10/31/68 per WV&M Exhibit 27.

TABLE III

Income Statement

Future Annual Period Ending
November 30, 1969, at Fares
Proposed by Applicant

Operating Revenue	
Passenger Revenue	$5,032,106.00
Contract Charter Revenue	207,928.00
Other Charter Revenue	230,589.00
Other Operating Revenue	27,118.37
Total Operating Revenue	$5,497,741.37
Operating Revenue Deductions	
Operating Expenses:	
Equipment Maintenance and Garage Expense	$ 622,007.90
Transportation Expense	2,932,633.11
Station Expense	27,802.14
Traffic Solicitation and Advertising	42,070.15
Insurance and Safety Expense	188,255.90
Administration and General Expense	548,461.23
Total Operating Expense	$4,361,030.43
Depreciation Expense	$ 366,125.31
Operating Taxes and Licenses	323,549.13
Operating Rents	113,013.50
Income Taxes	9,702.10
Total Operating Revenue Deductions	$5,173,420.47
Net Operating Income (Loss)	$ 324,320.90
Operating Ratio	94.10%
Rate of Return on Operating Revenue	5.90%

We conclude, therefore, that the fare structure we establish in this order is a just and reasonable one. The fares established herein will become effective at 4:00 A.M. on January 19, 1969.

THEREFORE, IT IS ORDERED:

1. That, effective 4 A.M., January 19, 1969, WV&M Coach Company be, and it is hereby, authorized to establish the rates of fare as shown in Tariff No. 29 (Tariff of WV&M) and in Tariff No. 30 (Tariff of WV&M), except that the end of Zone 1 shall be changed to read "Washington Boulevard and Courthouse Road."

2. That applicant file appropriate tariffs pursuant to the authority herein granted.

3. That applicant post in all of its buses, forthwith, appropriate notices indicating all such fare changes pursuant to the authority herein granted.

4. That applicant make the proper entry on its official books and records, retroactive to January 1, 1968, to reflect operating revenue at the rate of $4,200 per annum for distributing the D. C. Examiner newspaper.

5. That, upon issuance of this order, the applicant be, and it is hereby, authorized to discontinue the sale of tokens; provided all outstanding tokens shall be honored as the equivalent of 30¢ cash.

BY DIRECTION OF THE COMMISSION:

Melvin E. Lewis

MELVIN E. LEWIS
Executive Director

In Order No. 452, we directed the applicant to keep its fare zone system under review, and to propose from time to time such changes as necessary to eliminate any inequities. In this connection we are denying the applicant's request to change the boundaries of Zone 1, but we are granting the remaining requests. For the reasons stated below, we feel that this zone scheme and the fares ordered herein will produce the necessary revenue on a basis that will not be unduly preferential or unduly discriminatory as between patrons in the various service areas.

First, however, we should note the positions of the protestants. Neither protestant actually took a position against the applicant's request for a fare increase as such. Rather, Mr. Daniel took the position that the proposed change in zones was inequitable in that an excessive burden would be placed on those living within Zone 2. The Arlington County Board took essentially the same position but on a much broader scale. It contended that the proposed zone changes as well as the proposed breakdown in revenue distribution fail to equally distribute the necessary increase. We have considered and evaluated the protestants' positions, along with those taken by the staff and the applicant.

First of all, the evidence of record fails to indicate any substantive data which would, in our opinion, justify a change in the boundaries of Zone 1. Second, the remaining changes seem to be the fairest way to raise the revenue. For the most part, WV&M's analysis of its zone system seems correct and reasonable. In Zone 2, for example, the highest costs are incurred and the highest demand in service is made. This zone bears its proportional increase. Establishing fair and reasonable zones is not an easy task. It involves more than drawing lines. The company's analysis is thorough and complete. It involved more than cost and mileage; the number of stops and vehicle speed were also considered. We think that this approach has developed a zone system equitable both to the patrons and the company.

In connection with the impact of the fare structure on the various zones, there was some contention that the new second zone, with a basic increase of 15¢ over the first zone ride, was being penalized. However, Exhibit No. 6 submitted by the company set forth the genuine impact in terms of cents per mile charged to the patron on the interstate trips; this shows, for example, that, due to the mileage involved in Zone 1, the 35¢ proposed fare averages out to a minimum of 5.8¢ per mile and a maximum of 8.8¢ per mile, depending on which route is utilized. In Zone 2, the 50¢ proposed fare equates to a range of 3.8¢ per mile and 6.3¢ per mile, substantially lower than the Zone 1 charge. The cents per mile charge in Zones 3 and 4 are likewise at a lower level than the first two zones.

Although this Commission has no jurisdiction over intra-Virginia fares, the level of those fares and its impact on the overall financial health of the company are relevant and were considered. The Commission noted with interest that, despite a decrease in the proposed fare for Zone 1 intra-state, the average cost per mile to the patron intra-state rider is still higher than in other zones; company Exhibit No. 4, introduced before the State Corporation Commission hearing in Richmond, Virginia on January 8, 1969, indicated an average fare per mile in Zone 1 of 11.9¢, in Zone 2 -- 6.07¢, in Zone 3 -- 6.01¢ and in Zone 4 -- 6.26¢.

Based on the foregoing facts and findings, the Commission concludes that:

1. The present fares are unjust and unreasonable in that they will not produce sufficient revenues to enable the carrier to meet operating expenses and earn a reasonable return.

2. The proposed fare zone boundaries, except Zone 1, are fair and reasonable, and will be accepted; the change in Zone 1 has not been substantiated and is denied.

3. The fares proposed by the applicant are just and reasonable in that they will produce gross revenues sufficient to meet expenses and enable it to earn a reasonable return. They are not unduly preferential nor unduly discriminatory either between riders or sections of its service area.

WMA TRANSIT COMPANY
OPERATING STATEMENT FOR FISCAL YEAR ENDED AUGUST 31, 1967
AND ALLOCATIONS TO DETERMINE NET OPERATING INCOME
FROM MASS TRANSPORTATION OPERATIONS IN THE DISTRICT OF COLUMBIA

	Total Company Operations Per WMATC Audit	Method of Allocation to Mass Transportation 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
Operating Revenues					
Regular Route Revenues	$2,207,536.34	Direct	$2,207,536.34	Direct	$325,468.56
Charter Bus Revenues	605,752.08	Direct	-0-	Direct	-0-
Other Operating Revenues:					
Apartment Subsidies	8,471.88	Direct	8,471.88	Direct	-0-
Other	14,820.75	(R)	11,492.52	(R)	1,694.51
Total Operating Revenues	$2,836,581.05		$2,227,500.74		$327,163.07
Operating Revenue Deductions					
Equipment Maintenance and Garage Expense:					
Repairs - Revenue Equipment	213,783.32	(M)	180,988.96	(M-P)	19,283.26
Tires and Tubes	47,557.14	(M)	40,261.87	(M-P)	4,289.65
All Other	142,062.23	(M)	120,269.89	(RRP)	32,533.02
Transportation Expense:					
Supervision - Transportation	102,623.52	(H)	81,996.19	(RRP)	22,179.97
Drivers' Wages and Bonuses	814,765.00	Direct (H)	649,399.23	(T-P)	77,537.78
Fuel and Oil - Revenue Equipment	118,613.45	(M)	100,418.14	(M-T)	11,327.17
Road Expense	724.66	(M)	613.50	(RRP)	165.95
Other Transportation Expense	18,550.83	Direct	9,932.82	(RRP)	2,659.48
Traffic, Solicitation and Advertising Expense	30,518.24	Direct	8,208.34	(RRP)	2,220.35
Insurance and Safety Expense:					
Public Liability Insurance	145,673.24	(TSP)	124,434.08	(RRP)	33,659.42
Property Damage Insurance	28,410.35	(M)	24,052.20	(M-P)	2,562.61
All Other	40,116.93	Direct (H)	32,131.46	(RRP)	8,691.55
Administrative and General Expense:					
Employee Welfare Expense	14,951.64	(H)	11,946.36	(T-P)	1,426.39
All Other	232,575.19	(H)	170,277.29	(RRP)	46,060.01
Total Operating and Maintenance Expenses	$1,950,925.74		$1,554,930.33		$264,596.61

	Total Company Operations Per WMATC Audit	Method of Allocation to Mass Transportation Operations	Allocation to Mass Transit Operations	Method of Allocation Mass Transportation Operations to D. C.	Allocation to Mass Transportation Operations in the District of Columbia
Depreciation Expense					
Buses	$ 189,581.48	Direct (H)	$ 151,475.60	(RRP)	$ 40,974.15
All Other	54,089.90	(H)	46,309.36	(RRP)	12,526.69
Total Depreciation Expense	$ 243,671.38		$ 197,784.96		$ 53,500.84
Operating Taxes					
Federal and State Gas and Oil Tax	89,225.47	(M)	75,538.28	(M-T)	10,064.63
Vehicle Tags	36,376.18	(H)	29,064.57	(RRP)	7,861.97
Tire and Tube Taxes	4,618.58	(M)	3,910.09	(M-P)	416.60
Payroll Taxes	57,341.35	(H)	45,815.74	(T-P)	5,470.36
All Other Taxes	11,430.73	(H)	9,133.15	(RRP)	2,470.52
Total Taxes	$ 198,992.31		$ 163,461.83		$ 26,284.08
Operating Rents					
Equipment Rents	66,185.46	(M)	56,032.61	(RRP)	15,156.82
Other Operating Rents	88,718.74	(M)	75,109.29	(RRP)	20,317.06
Total Operating Rents	$ 154,904.20		$ 131,141.90		$ 35,473.88
Total Operating Revenue Deductions	$2,548,493.63		$2,047,319.02		$379,855.41
Net Operating Revenue before Provision for Income Taxes	$ 288,087.42		$ 180,181.72		$(52,692.34)
Provision for Income Taxes	6,771.67	Note A	4,235.00	Note A	(1,238.54)
Net Operating Income (Loss)	$ 281,315.75		$ 175,946.72		$(51,453.80)

Code for Methods of Allocation:

(R)	Revenue	(M-T)	Average of (M-P) and (T-P)
(RRP)	Regular Route Passengers	(M)	Mileage
(M-P)	Mileage and Passengers	(H)	Drivers' Hours
(T-P)	Time and Passengers	(TSP)	Total System Passengers

Note A:
Income Tax is allocated by applying the overall effective tax rate to each segment of Company's operations.

WMA TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDING AUGUST 31, 1967

BASES				FACTORS
(R)	Revenue			
	Regular Route Revenue:			
	D. C. Local	$ 325,468.56		11.57%
	Maryland and Interstate	1,882,067.78		66.90%
	Other Than Mass Transit	605,752.08		21.53%
	Total Regular Route Revenue	$2,813,288.42		100.00%
	Apartment Subsidies	8,471.88		
	Other	14,820.75		
	Total Revenue	$2,836,581.05		

(RRP) Regular Route Passengers
(TSP) Total System Passengers

		Passengers Carried During Fiscal Year
(a)	D. C. Local	1,571,230
(b)	Interstate - Local	1,275,253
(c)	Interstate - Express	2,355,616
(d)	Maryland Local	605,851
(e)	Charter	991,110
	Total Passengers	6,799,060

		(RRP)	(TSP)
Passengers Assigned to D. C. (a)	1,571,230	27.05%	23.11%(a)
Passengers Assigned to Other than D. C. (b+c+d)	4,236,720	72.95%	62.31%(b)
Passengers Assigned to Charter (e)	991,110		14.58%(c)
		100.00%	100.00%

(M-P) Mileage-Passengers

Scheduled Bus Miles:		
D. C.	676,852	19.30%(d)
Maryland	2,829,575	80.70%(e)
Total Regular Route Scheduled Miles	3,506,427	100.00%
Regular Route Miles In:		
D. C.	738,162	16.34%(f)
Maryland	3,086,511	68.32%(g)
Charter	693,121	15.34%(h)
Total Regular Route Actual Miles	4,517,794	100.00%
Passengers Riding in D. C. - Local	1,571,230	55.20%(i)
Passengers Riding in D. C. - Interstate	1,275,253	44.80%(j)
Total	2,846,483	100.00%

WMA TRANSIT COMPANY
DETERMINATION OF ALLOCATION FACTORS
FOR THE FISCAL YEAR ENDING AUGUST 31, 1967

BASES					FACTORS
(M-P)	Mileage-Passengers (continued)				
	Factors to be Used:				
	D. C. Local	(f) x (i)			9.02%(k)
	Maryland and Interstate	(g) + ((f) x (j))			75.64%(l)
	Other Than Mass Transit	(h)			15.34%(m)
					100.00%
(T-P)	Time-Passengers				
	Regular Route Time:				
	D. C.	60,715			17.29%(n)
	Maryland	219,844			62.61%(o)
	Other Than Mass Transit	70,577			20.10%(p)
	Total Regular Route Time	351,136			100.00%
	Factors to be Used:				
	D. C. Local	(n) x (i)			9.54%(q)
	Maryland and Interstate	(o) + ((n) x (j))			70.36%(r)
	Other Than Mass Transit	(p)			20.10%(s)
					100.00%
(M-T)	Average of Mileage-Passengers and Time-Passengers				
			(M-P)	(T-P)	Average
	D. C. Local		9.02%	9.54%	9.28%(t)
	Maryland Interstate		75.64%	70.36%	73.00%(u)
	Other Than Mass Transit		15.34%	20.10%	17.72%(v)
					100.00%
	D. C. Local to Maryland and Interstate Ratio:				
	D. C. Local			9.28%	11.28%(w)
	Maryland and Interstate			73.00%	88.72%(x)
					100.00%