

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 11,589

IN THE MATTER OF:

Served September 25, 2008

KHULON 1 ENTERPRISES, INC.,)
Suspension and Investigation of)
Revocation of Certificate No. 971)

Case No. MP-2008-208

This matter is before the Commission on respondent's response to Order No. 11,577, served September 15, 2008.

Under the Compact, a WMATC carrier may not engage in transportation subject to the Compact if the carrier's certificate of authority is not "in force."¹ A certificate of authority is not valid unless the holder is in compliance with the Commission's insurance requirements.²

Commission Regulation No. 58 requires respondent to insure the revenue vehicles operated under Certificate No. 971 for a minimum of \$1.5 million in combined-single-limit liability coverage and maintain on file with the Commission at all times proof of coverage in the form of a WMATC Certificate of Insurance and Policy Endorsement (WMATC Insurance Endorsement) for each policy comprising the minimum.

Certificate No. 971 was rendered invalid on September 14, 2008, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 11,577 noted the automatic suspension of Certificate No. 971 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 971, and gave respondent thirty days to replace the terminated endorsement and pay the \$50 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 971.

Respondent paid the late fee on September 18, 2008, and submitted a \$1.5 million primary WMATC Insurance Endorsement on September 24, 2008, but the effective date of the new endorsement is October 9, 2008, instead of September 14, 2008. This means that respondent was without insurance coverage for twenty-five days, from September 14, 2008, through October 8, 2008.

Under Regulation No. 58-14:

If a carrier's operating authority is suspended under Regulation No. 58-12 and the effective date of a

¹ Compact, tit. II, art. XI, § 6(a).

² Compact, tit. II, art. XI, § 7(g).

later-filed replacement Endorsement falls after the automatic suspension date, the carrier must verify timely cessation of operations in accordance with Commission Rule No. 28 and corroborate the verification with client statements and/or copies of pertinent business records, as directed by Commission order.

We will give respondent thirty days to verify that it ceased operations as of September 14, 2008. Respondent shall corroborate the verification with copies of pertinent business records.

THEREFORE, IT IS ORDERED:

1. That within thirty days from the date of this order, respondent shall verify it ceased all operations in the Metropolitan District as of September 14, 2008.

2. That within thirty days from the date of this order, respondent shall produce any and all books, papers, correspondence, memoranda, contracts, agreements, and other records and documents, including any and all stored electronically, that are within respondent's possession, custody or control and which relate to the transportation of passengers for hire between points in the Metropolitan District during the period beginning, July 1, 2008, and ending on the date of this order, including, but not limited to any and all:

- a. customer contracts and invoices;
- b. invoices from other carriers;
- c. calendars and itineraries;
- d. bank and payroll records;
- e. insurance documents;
- f. advertising materials;
- g. income tax and personal property returns.

FOR THE COMMISSION:



William S. Morrow, Jr.
Executive Director