

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 12,042

IN THE MATTER OF:

Served June 10, 2009

SKYHAWK LOGISTICS, INC., Suspension)
and Investigation of Revocation of)
Certificate No. 406)

Case No. MP-2009-044

This matter is before the Commission on respondent's failure to respond to Order No. 11,953, served April 28, 2009, which directed respondent to verify cessation of operations as of March 17, 2009, and corroborate the verification with a statement from its client, the Defense Intelligence Agency. Respondent was also directed to file a corrected amendment to its Contract tariff CT-1.

I. BACKGROUND

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. 406 for a minimum of \$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. 406 was rendered invalid on March 17, 2009, when the \$1 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 11,895, served March 17, 2009, noted the automatic suspension of Certificate No. 406 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 406, 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. 406.

The excess endorsement subsequently expired on March 20, 2009 without replacement. Order No. 11,895 anticipated this by stating that in the event respondent failed to satisfy the requirements of Order No. 11,895 prior to March 20, respondent would have the

¹ Compact, tit. II, art. XI, § 6(a).

² Compact, tit. II, art. XI, § 7(g).

remainder of the thirty days for replacing the primary coverage to replace the excess coverage.

Respondent subsequently submitted acceptable \$1 million primary and \$4 million excess WMATC Insurance Endorsements and paid the \$50 late fee, and the suspension was lifted in Order No. 11,953, but because the effective dates of the replacement endorsements are March 27, 2009 for the primary instead of March 17, 2009, and March 26, 2009 for the excess instead of March 20, 2009, the order directed respondent to verify cessation of operations as of March 17, 2009, in accordance with Regulation No. 58-14. And because respondent's only tariff is for service rendered to the Defense Intelligence Agency (DIA), the order directed respondent to corroborate the verification with a statement from DIA, also in accordance with Regulation No. 58-14. The order also directed respondent to file an effective amendment letter updating its DIA contract tariff for the current option year.

Respondent has yet to respond.

II. ORDER TO SHOW CAUSE

Considering that respondent has not denied operating its vehicle(s) on and after the suspension date, and considering that respondent has failed to produce the required documents, respondent shall have thirty days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or suspend or revoke Certificate No. 406, for knowingly and willfully conducting operations under an invalid/suspended certificate of authority and failing to produce documents as directed.³

THEREFORE, IT IS ORDERED:

1. That respondent shall have thirty days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or suspend or revoke Certificate No. 406, for knowingly and willfully violating Article XI, Section 6(a), of the Compact, Regulation No. 58, and the orders issued in this proceeding.

2. That respondent may submit within 15 days from the date of this order a written request for oral hearing, specifying the grounds for the request, describing the evidence to be adduced and explaining why such evidence cannot be adduced without an oral hearing.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS CHRISTIE AND BRENNER:



William S. Morrow, Jr.
Executive Director

³ See *In re Olalekan Salami, t/a Startime Ventures*, No. MP-08-147, Order No. 11,690 (Nov. 19, 2008) (same).