

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 15,085

IN THE MATTER OF:

Served September 30, 2014

CHALLENGER TRANSPORTATION, INC.,)
Suspension and Investigation of)
Revocation of Certificate No. 568)

Case No. MP-2014-139

This matter is before the Commission on respondent's response to Order No. 15,032, served September 9, 2014.

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. 568 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. 568 was rendered invalid on September 9, 2014, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without full replacement. Wesco Insurance Company had filed a WMATC Endorsement on respondent's behalf on August 28, 2014, but only for \$1 million.

Accordingly, Order No. 15,032 noted the automatic suspension of Certificate No. 568 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 568, and gave respondent 30 days to replace the missing coverage and pay a \$100 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 568.

Respondent paid the late fee on September 26, 2014, and Global Liberty Insurance Company of New York submitted a \$1.5 million primary WMATC Insurance Endorsement on respondent's behalf on September 26, 2014, with an effective date of September 26, 2014, instead of September 9, 2014.

¹ Compact, tit. II, art. XI, § 6(a).

² Compact, tit. II, art. XI, § 7(g).

II. ORDER TO LIFT SUSPENSION AND CONTINUE INVESTIGATION

Under Regulation No. 58-14:

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

In accordance with Regulation No. 58-14, respondent will be directed to submit a statement verifying cessation of operations as of September 9, 2014. The statement shall be corroborated by copies of respondent's pertinent business records.

Inasmuch as respondent has filed the necessary replacement Endorsement(s) and paid the late fee under Regulation No. 67-03(c), we will lift the suspension in accordance with Regulation No. 58-13.

THEREFORE, IT IS ORDERED:

1. That the suspension of Certificate No. 568 is hereby lifted.

2. That within 30 days from the date of this order, respondent shall verify it ceased all operations in the Metropolitan District as of September 9, 2014.

3. That within 30 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, 2014, and ending on the date of this order, including, but not limited to any and all:

- a. customer contracts and invoices;
- b. calendars and itineraries;
- c. bank and credit card statements.

FOR THE COMMISSION:



William S. Morrow, Jr.
Executive Director