

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 15,156

IN THE MATTER OF:

Served October 28, 2014

BLACK TIE SEDANS, LLC, Suspension)
and Investigation of Revocation of)
Certificate No. 2056)

Case No. MP-2014-080

This matter is before the Commission on the response of respondent to Order No. 14,895, served July 7, 2014, directing respondent to verify cessation of operations as of May 19, 2014, and to corroborate with copies of respondent's pertinent business records from March 1, 2014, to July 7, 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. 2056 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. 2056 was rendered invalid on May 19, 2014, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 14,771, served May 19, 2014, noted the automatic suspension of Certificate No. 2056 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 2056, and gave respondent thirty days to replace the terminated endorsement and pay the \$100 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 2056.

Respondent paid the late fee on July 3, 2014, and submitted a \$1.5 million primary WMATC Insurance Endorsement on June 6, 2014. The Commission accordingly lifted the suspension on July 7, 2014, but because the effective date of the new endorsement is June 3, 2014, instead of May 19, 2014, respondent was directed to verify cessation

¹ Compact, tit. II, art. XI, § 6(a).

² Compact, tit. II, art. XI, § 7(g).

of operations as of May 19, 2014, and to corroborate with copies of its pertinent business records, pursuant to Regulation No. 58-14.

II. RESPONSE AND FINDINGS

Respondent states that it "stopped doing business on 5/27/14" and "resumed business on 7/7/14." Respondent's business records, on the other hand, indicate that respondent continued doing business through June 24, 2014. But it appears that this business, 11 trips, was not within WMATC's jurisdiction. And it appears that six of those trips were subcontracted to other carriers. Respondent's records are corroborated in that regard by statements from the two carriers that respondent hired.

While there is no evidence of respondent conducting WMATC operations while suspended, it appears that several of the trips that respondent did not subcontract to others took place between May 19, 2014, and June 3, 2014, when respondent's insurance had lapsed. This is troubling to say the least, notwithstanding that these trips were not subject to our jurisdiction.

In defense, respondent offers the statement of its insurance broker. According to the statement, the broker erroneously sent to respondent on May 16, 2014, "a certificate of insurance letting [respondent] know that the policy was reinstated and in force." The broker further states that it was not until June 5 or June 6 that the error was discovered, at which time respondent "obtained replacement coverage immediately," effective June 3, 2014.

III. CONCLUSION

Inasmuch as there is no evidence of any violation of the Compact or Commission regulations, and considering that at all times relevant to this investigation respondent had reason to believe that its insurance policy had been renewed, this proceeding is hereby terminated.

IT IS SO ORDERED.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS BRENNER, HOLCOMB, AND BROWN:



William S. Morrow, Jr.
Executive Director