

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 15,293

IN THE MATTER OF:

Served January 6, 2015

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 failure to respond to Order No. 15,085, served September 30, 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."<sup>1</sup> A certificate of authority is not valid unless the holder is in compliance with the Commission's insurance requirements.<sup>2</sup>

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.

This proceeding concerns respondent's failure to maintain on file with the Commission at all times proof of \$1.5 million in revenue-vehicle liability insurance coverage.

**A. Commission Regulation No. 58-07**

Commission Regulation No. 58-07 governs commencement and termination of WMATC Insurance Endorsements, as follows:

Coverage under a WMATC Insurance Endorsement shall commence on the specified effective date and continue until the earliest of:

(a) the specified expiration date;

(b) the effective date specified in a notice of cancellation or thirty (30) days after the notice is received by the Commission, whichever is later;

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<sup>1</sup> Compact, tit. II, art. XI, § 6(a).

<sup>2</sup> Compact, tit. II, art. XI, § 7(g).

(c) thirty (30) days after receipt by the Commission of an acceptable application from the insured for voluntary termination of WMATC operating authority;

(d) thirty (30) days after revocation by the Commission; or

(e) the effective date of a later-executed replacement Endorsement.

Commencement and termination shall occur at 12:01 a.m. Eastern Standard Time or Eastern Daylight Time, as applicable.

**B. Key Dates in this Proceeding**

Certificate of Authority No. 568 was originally issued on October 16, 2000, voluntarily terminated on July 18, 2013, and reissued on December 11, 2013.

On October 4, 2013, Global Liberty Insurance Company of New York filed on respondent's behalf a \$1.5 million primary WMATC Insurance Endorsement with an effective date of October 24, 2013, and an expiration date of September 9, 2014.

On August 28, 2014, Wesco Insurance Company filed on respondent's behalf a \$1 million primary WMATC Insurance Endorsement with an effective date of June 27, 2014, and an expiration date of June 27, 2015.

On September 26, 2014, Global Liberty Insurance Company of New York filed on respondent's behalf a \$1.5 million primary WMATC Insurance Endorsement with an effective date of September 26, 2014, and an expiration date of September 26, 2015.

From December 11, 2013, to present, none of the three endorsements was canceled or revoked, respondent filed no voluntary termination application, and no excess WMATC Insurance endorsement was filed on respondent's behalf.

**C. 91-Day Insurance Endorsement Gap**

Looking at the key dates above, the \$1.5 million Global Liberty endorsement filed October 4, 2013, was effective from the reissuance of Certificate No. 568 on December 11, 2013, until 12:01 a.m. on June 27, 2014, the effective date of the later-executed \$1 million Wesco Insurance endorsement.

And the \$1 million Wesco Insurance endorsement was effective from June 27, 2014, until 12:01 a.m. on September 26, 2014, the effective date of the later-executed \$1.5 million Global Liberty endorsement filed September 26, 2014.

The foregoing caused Certificate No. 568 to become automatically suspended as of June 27, 2014, and left respondent's WMATC Insurance Endorsement coverage \$500,000 short of the \$1.5 million minimum for 91 days from June 27, 2014, through September 25, 2014.

## II. ORDER TO VERIFY AND FAILURE TO RESPOND

Order No. 15,085, served September 30, 2014, lifted the suspension of Certificate No. 568 and gave respondent 30 days to verify cessation of operations during the suspension of Certificate No. 568 as corroborated by copies of respondent's pertinent business records, in accordance with Regulation No. 58-14.<sup>3</sup>

Respondent has yet to respond.

## III. 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 30 days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or suspend or revoke Certificate No. 568, for knowingly and willfully conducting operations under an invalid/suspended certificate of authority and failing to produce documents as directed.<sup>4</sup>

THEREFORE, IT IS ORDERED:

1. That respondent shall have 30 days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or suspend or revoke Certificate No. 568, 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 BRENNER AND HOLCOMB:



William S. Morrow, Jr.  
Executive Director

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<sup>3</sup> Order No. 15,085 mistakenly identified the automatic suspension date as September 9, 2014, instead of June 27, 2014.

<sup>4</sup> See *In re Olalekan Salami, t/a Startime Ventures*, No. MP-08-147, Order No. 11,690 (Nov. 19, 2008) (same).