

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 16,566

IN THE MATTER OF:

Served September 14, 2016

DAFRE, INC., Trading as DAFRE) Case No. MP-2016-088
TRANSPORTATION, Suspension and)
Investigation of Revocation of)
Certificate No. 607)

This matter is before the Commission on respondent's failure to respond to Order No. 16,471, served July 12, 2016.

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. 607 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.

On May 5, 2015, the \$5 million primary WMATC Insurance Endorsement on file for respondent expired without having been fully replaced by one or more WMATC Endorsements. WMATC had received a replacement endorsement on May 4, 2015, in the amount of \$1.5 million, but WMATC had received no endorsement(s) for the remaining \$3.5 million in coverage required by Regulation No 58. This came to WMATC staff's attention on May 5, 2016, when the \$1.5 million endorsement filed May 4, 2015, expired without having been fully replaced by one or more WMATC Endorsements, once again. Like the year before, WMATC received a replacement endorsement on May 4, 2016, in the amount of \$1.5 million, but no endorsement(s) for the remaining \$3.5 million in coverage required by Regulation No 58.

Order No. 16,344, served May 6, 2016, noted the automatic suspension of Certificate No. 607 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 607, and gave respondent 30 days to file the necessary WMATC Endorsement(s) and pay the \$100 late fee due under Regulation

¹ Compact, tit. II, art. XI, § 6(a).

² Compact, tit. II, art. XI, § 7(g).

No. 67-03(c) or face revocation of Certificate No. 607. Respondent did not respond, and Certificate No. 607 was revoked on June 7, 2016, in Order No. 16,408.

Respondent thereafter filed a \$5 million WMATC Insurance Endorsement, paid the \$100 late fee, and submitted a request for reinstatement of Certificate No. 607, and Certificate No. 607 was reinstated in Order No. 16,471 on July 12, 2016, pursuant to Regulation No. 58-15(b).

This investigation continued, however, under Regulation No. 58-14 because the effective date of the June 24, 2016, replacement Endorsement is May 5, 2016, instead of May 5, 2015, the date on which respondent's 2014-2015 WMATC Endorsement terminated without full replacement and Certificate No. 607 became automatically suspended under Regulation No. 58-12 as a result.

Order No. 16,471 gave respondent until August 11, 2016, to verify whether respondent ceased operating on May 5, 2015, and to produce copies of respondent's business records from January 1, 2015, to July 12, 2016, in accordance with Regulation No. 58-14(a).

Respondent has yet to respond.

II. ORDER TO SHOW CAUSE

In accordance with Regulation No. 58-14(b), 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. 607, for knowingly and willfully conducting operations under an invalid/suspended certificate of authority and failing to produce documents as directed.

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. 607, 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.

FOR THE COMMISSION:



William S. Morrow, Jr.
Executive Director