

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1212

IN THE MATTER OF:

Served April 14, 1972

Suspension of Certificate)
of Public Convenience and)
Necessity No. 8, Held by)
WMA Transit Company.)

On April 13, 1972, the Commission was formally notified by Travelers Indemnity Company (Travelers), public liability insurer of the WMA Transit Company (WMA), that Travelers would cancel that insurance effective the 15th of May 1972 at 12:01 a.m.

Section 9(a) of Title II of the Washington Metropolitan Area Transit Regulation Compact provides that no certificate of public convenience and necessity issued by the Commission shall remain in force unless the holder complies with Commission regulations relating to insurance to protect the public against the possibility of bodily injury, death or property damage resulting from the certificate holder's transportation operations. Failure on the part of WMA to maintain public liability insurance coverage beyond May 15, 1972, or to provide a Commission-approved substitute, would constitute clear and unavoidable grounds for suspension of WMA's certificate as of that date.

The notice of cancellation received on April 13, 1972, was not the first indication we have had of the imminent termination of WMA's public liability insurance. On March 30, 1972, in a letter addressed to the Commission's Executive Director, the insurance agent for WMA asserted that unless past due premiums were paid to Travelers by April 5, 1972, the public liability insurance would not be renewed. Conversations with Travelers officials confirmed that cancellation was indeed

probable and that it appeared that payment of necessary premiums was not likely. Attempts to ascertain from WMA officials the status of the public liability insurance situation produced no tangible indication that insurance would be available either through Travelers or any other source.

On April 14, 1972, the day after receipt of the official notice of cancellation, we met with WMA officials who were not able to produce any real assurance that insurance, or a reasonable substitute, would be available after May 15, 1972. However, in order to give WMA management a final opportunity to provide public liability insurance before suspending WMA's certificate, as we must if such insurance is not in force, we will not act to suspend WMA's certificate today, but will set a hearing eleven (11) days hence. At that time, we will expect all pertinent facts to be presented on the record so that we may meet our responsibilities to the public in this situation.

THEREFORE, IT IS ORDERED that a hearing be held on April 25, 1972, at 2:00 p.m., in the Hearing Room of the Commission, Room 314, 1625 Eye Street, N. W., Washington, D. C., to consider whether Certificate of Public Convenience and Necessity No. 8 held by WMA Transit Company should be suspended for failure to comply with Title II, Section 9(a) of the Washington Metropolitan Area Transit Regulation Compact and regulations issued pursuant thereto.

BY DIRECTION OF THE COMMISSION:


DOUGLAS N. SCHNEIDER, JR.
Executive Director