

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1311

IN THE MATTER OF:

Application of VERNON FRANKLIN )  
for Authority to Increase Fares.)

Served March 18, 1974

Application No. 830

Docket No. 261

On February 25, 1974, Vernon Franklin (an individual) filed proposed WMATC Tariff No. 3 which would cancel its current WMATC Tariff No. 2. Effective March 25, 1974, the new tariff would increase the rates to be applied to charter coach movements performed pursuant to Certificate of Public Convenience and Necessity No. 6, which authorizes charter operations, over irregular routes, transporting charitable and public supported groups, including but not limited to, public, parochial and private schools, churches, Boy and Girl Scouts, and similar groups, and their baggage, round-trip or one-way, from points within Arlington and Fairfax Counties, and the Cities of Alexandria, Falls Church and Fairfax, Virginia, to points within the District of Columbia and within the Counties of Montgomery and Prince George's, Maryland, restricted to the performance of such transportation in school bus type vehicles only.

Analyses of the proposed tariff changes are shown in tables listing the current rates, proposed rates, and the dollar amount and percentage increase for the various vehicles used by Vernon Franklin in performing the charter operations authorized by its certificate.

TABLE I

CURRENT TARIFF

<u>HOURLY CHARGES</u>	<u>BUS CAPACITY</u>		
	<u>40-Pass.</u>	<u>44-Pass.</u>	<u>57-Pass.</u>
Minimum Service Charge (first 3 hours)	\$24.00	\$32.00	\$40.00
Transportation Charge (per hour thereafter)	\$ 6.00	\$ 8.00	\$10.00
<u>MILEAGE CHARGES</u>			
Transportation Charge (per mile)	\$ 0.50	\$0.55	\$0.75

NOTE: Charges made on hourly basis or mileage basis, whichever is higher.

TABLE II

PROPOSED TARIFF

<u>HOURLY CHARGES</u>	<u>BUS CAPACITY</u>		
	<u>40-Pass.</u>	<u>44-Pass.</u>	<u>57-Pass.</u>
Minimum Service Charge (first 3 hours)	\$32.00	\$40.00	\$48.00
Transportation Charge (per hour thereafter)	\$ 8.00	\$10.00	\$12.00
<u>MILEAGE CHARGES</u>			
Transportation Charge (per mile)	\$ 0.55	\$ 0.60	\$ 0.75

NOTE: Charges made on hourly basis or mileage basis, whichever is higher.

TABLE III

DOLLAR AMOUNT AND PERCENTAGE INCREASE

<u>HOURLY CHARGES</u>	<u>BUS CAPACITY</u>		
	<u>40-Pass.</u>	<u>44-Pass.</u>	<u>57-Pass.</u>
Minimum Service Charge (first 3 hours)	\$ 8.00 33-1/3%	\$ 8.00 25%	\$ 8.00 20%
Transportation Charge (per hour thereafter)	\$ 2.00 33-1/3%	\$ 2.00 25%	\$ 2.00 20%
<u>MILEAGE CHARGES</u>			
Transportation Charge (per mile)	\$ 0.05 10%	\$ 0.05 9.1%	No change

Vernoy Franklin filed a statement indicating that the requested rate increase was the result of the rising cost of labor, equipment, parts and fuel. In addition, an unaudited statement of the financial condition of Franklin Charter Bus Service <sup>1/</sup> at December 31, 1973, and an unaudited statement of operations by Franklin Charter Bus for the twelve months ending December 31, 1973 were filed. The statement of operations reveals that Franklin Charter Bus received \$252,802 in revenue and incurred expenses of \$200,083 during the twelve month period ending December 31, 1973. The net income was \$52,719, or an operating ratio of 79.1 and a rate of return of 20.9 percent.

In the exercise of the power to prescribe just and reasonable rates and regulations and practices relating thereto, the Commission gives due consideration, among other factors, to the need, in the public interest, of adequate and efficient

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<sup>1/</sup> The trade name under which Vernoy Franklin operates charter service.

transportation service by a carrier at the lowest cost consistent with the furnishing of such service and to the need of revenues sufficient to enable the carrier, under honest, economical, and efficient management, to provide such service. See Compact, Title II, Article XII, Section 6(a)(3). The proposed tariff would significantly increase the rates to be applied by Vernoy Franklin when providing charter services to the public. The primary support for the rate increase is an unsupported allegation that various basic expense items have been subject to recent increases. Moreover, the statement of financial condition indicates that Vernoy Franklin currently is generating sufficient revenues to compensate for its operating expenses. The current rate structure appears to provide an adequate rate of return.

The Commission is required to consider, among other things, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently when deciding whether a proposed tariff should be suspended. See Compact, Title II, Article XII, Section 6(a)(1). On the basis of the foregoing analysis of Vernoy Franklin's financial condition, the Commission is convinced that the carrier is in good financial condition with revenues sufficient to produce a suitable rate of return. Accordingly, the Commission finds that the record as submitted does not justify the increased rates proposed to be effective March 25, 1974. Pursuant to the provisions of Title II, Article XII, Section 6(a)(1) of the Compact, the Commission shall suspend Vernoy Franklin's proposed tariff and schedule a hearing in order to develop an appropriate record upon which to determine, among other things, whether the proposed rates are just, reasonable, and not unduly discriminatory or unduly preferential either between riders or sections of the Metropolitan District.

The Commission shall require Vernoy Franklin to submit and be prepared to support with competent witnesses appropriate exhibits, depicting the following:

- (A) cost per gallon of fuel for each of the months of 1973 and for that portion of 1974 for which

the information is available;

(B) labor costs, including the number of employees, for each of the months of 1973;

(C) equipment and part costs, including an indication of the items included in the cost figure, for each of the months of 1973;

(D) statement of the revenue generated in 1973 by operations pursuant to Certificate of Public Convenience and Necessity No. 6, and the related expenses incurred in generating such revenue;

(E) statement of the revenue generated in 1973 by operations not performed pursuant to Certificate of Public Convenience and Necessity No. 6, if any, and the expenses incurred in generating this revenue;

(F) projected statement of net earnings after all taxes, for the year 1974, under the existing tariff, together with supporting details, including operating ratio; and

(G) projected statement of net earnings after all taxes, for the year 1974, under the proposed tariff, together with supporting details, including operating ratio.

The Commission shall require that all direct evidence be submitted by Vernoy Franklin in the form of prepared testimony and supporting exhibits on or before Wednesday, April 10, 1974, in such manner that six (6) copies shall be filed with the Commission and one copy served on each party of record. Copies thereof also shall be provided to other persons who may indicate a desire to be heard on the proposed tariff.

THEREFORE, IT IS ORDERED:

1. That Vernoy Franklin's proposed tariff filed February 25, 1974, be, and it is hereby, suspended effective

March 25, 1974, for a period of 90 days (through Sunday, June 23, 1974), unless otherwise ordered.

2. That Application No. 830 of Vernoy Franklin be, and it is hereby, scheduled for public hearing to commence Tuesday, April 16, 1974, at 10:00 a.m., in the Hearing Room of the Commission, Room 314, 1625 Eye Street, N. W., Washington, D. C. 20006.

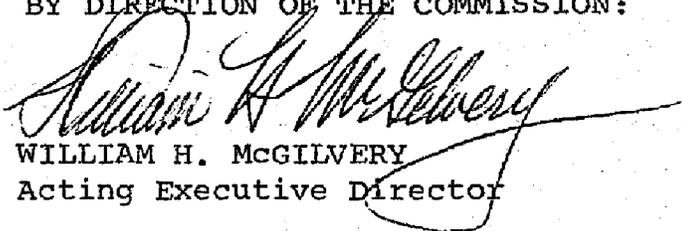
3. That applicant post notice in the form prescribed by the staff of the Commission of this application and hearing in all of its vehicles no later than Wednesday, March 27, 1974.

4. That applicant publish, in the form prescribed by the staff of the Commission, notice of this application and hearing in a newspaper of general circulation in the Metropolitan District no later than Wednesday, March 27, 1974.

5. That six (6) copies of the direct evidence on behalf of Vernoy Franklin shall be submitted to the Commission and one copy served on each party of record, not later than Wednesday, April 10, 1974.

6. That any person desiring to protest or otherwise to be heard on this matter shall notify the Commission, in writing, on or before Wednesday, April 10, 1974, and mail a copy of such notification to Vernoy Franklin, 4115 Dorforth Drive, Fairfax, Virginia 22030.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVERY  
Acting Executive Director