

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1446

IN THE MATTER OF:

Application of BELTWAY)	Served July 28, 1975
LIMOUSINE SERVICE, INC.,)	
for Certificate of Public)	
Convenience and Necessity)	Application No. 859
Authorizing Performance of)	
Charter Operations Pursuant)	
to Contract)	Docket No. 285

By Application No. 859, dated March 14, 1975, as amended, Beltway Limousine Service, Inc. (Beltway) seeks a certificate of public convenience and necessity, pursuant to Title II, Article XII, Section 4(b) of the Compact, to perform a charter operation pursuant to contract. Beltway seeks authority to transport students of the General Electric Company (General Electric) between General Electric's National Training facility, 401 North Washington Street, Rockville, Maryland, on the one hand and, on the other, points located within Montgomery County, Maryland.

By Order No. 1414, served March 26, 1975, the application was assigned for public hearing.^{1/} The reason for the hearing was to fully develop the basis for any finding as to Beltway's fitness to perform the proposed transportation service and the existing requirements of the public convenience and necessity for the proposed transportation service.

^{1/} The Commission's Order No. 1414 also granted Beltway temporary authority to transport General Electric's students and visitors between General Electric's Training facility and the Ramada Inn, Interstate Highway 270 and Route 28, Rockville, Maryland. Such temporary authorization became effective March 31, 1975, and will be effective through September 27, 1975.

By Order No. 1425, served May 12, 1975, the Commission certificated Beltway to provide appointment only limousine service between Dulles International Airport (Dulles) or Washington National Airport (National) and specified hotels or motels in Montgomery County and Prince George's County, Maryland. Beltway performs that service in 12 passenger vans.

Representatives for Beltway and General Electric executed a contract on March 31, 1975, which was amended on July 15, 1975. The term of the contract initially would be March 31, 1975, to September 30, 1975. However, General Electric has the option to extend the contract for 180 days after the expiration date. The present intent of General Electric is to exercise the option and extend the contract. The contract provides that Beltway would receive \$3.25 per person per trip. Beltway currently performs one trip at 8 A.M., and one trip at 5:30 P.M., with an occasional additional trip at 6 P.M.

The contract provides for service between the General Electric Training facility and any restaurant, country club, hotel or motel in the Rockville, Gaithersburg and Bethesda, Maryland, area. The hotels or motels in which General Electric may house students are set forth in Appendix A attached hereto. Of those hotels or motels, Beltway is authorized to provide service between Dulles or National and the Holiday Inn, 2 Montgomery Village Avenue, Gaithersburg, Md., Washingtonian Motel & Country Club, Shady Grove Road, Gaithersburg, Md., and Ramada Inn, 1251 Montgomery Avenue, Rockville, Md.

Beltway states that it would use a 15 passenger vehicle to perform the service and that the 12 passenger vehicles currently used for certificated service would be available. That vehicle would be leased and used primarily for the General Electric service. The proposed service entails operation of approximately 25 miles on each trip. With respect to the two trips in the evening, the same vehicle could perform both trips.

The General Electric representative supported the application by Beltway and recounted the history of the service. In November, 1974, General Electric moved from a facility in Bethesda to its current training facility in Rockville. While in Bethesda, the General Electric students were housed at motels or hotels within walking distance of the training facility.

After transferring the operation to Rockville, General Electric was confronted with a situation requiring transportation of students between hotels or motels and the training facility. General Electric states that it used the services of Barwood Cab Service, Gold Line Service, Greyhound Bus Lines and Metrobus. These carriers, according to General Electric, were unable to provide satisfactory service. As a result, Beltway and General Electric entered the contract dated March 31, 1975. The initial service was provided between the Ramada Inn and the training facility. However, General Electric also has been confronted with the problem of securing suitable housing for its students. As a result, General Electric anticipates that the students will be housed at several hotels or motels in the Rockville, Gaithersburg, Bethesda, Maryland, area.

The representative for General Electric further testified that the students attending the training classes are either General Electric employees or employees of customers of General Electric. The classes are conducted continuously except for General Electric holidays. The courses offered vary in length between a few days and four weeks. The students are given identification badges which are used for the purpose of boarding Beltway's vehicles. Occasionally, some students remain at the training facility beyond the normal class day. On these occasions, General Electric arranges transportation for those students. Sometimes, General Electric arranges a lunch or dinner for the members of a class at the end of the training course. In this event, Beltway desires to provide the transportation to the local restaurant or country club.

A record was submitted which indicates the operations rendered under the temporary authority granted by Order No. 1414. For the period April 1, 1975 through May 31, 1975, Beltway transported 528 passengers at the rate of \$3.25. This service generated \$1716 in gross revenues. The cost of performing said service was stated to be \$1551. The result was a net income before taxes of \$165 or 9.6 percent return on gross revenues.

Beltway also submitted a projection of the revenues deductions for a 12 month period. Beltway estimates that revenues would increase by approximately 20 percent for the annual period. The projected revenues are \$12,355 and the projected revenue deductions are \$11,106. The result would be net income before taxes in the amount \$1,249 or approximately 10 percent return on gross revenues.

Several financial statements portraying Beltway's position on March 31, 1975, were presented. A balance sheet statement indicates \$27,995 total assets, including \$15,725 depreciated value of equipment. Total liabilities, including equipment and instalment notes of \$13,887, are shown as \$41,176. Beltway's net worth is shown as a deficit of \$13,181 as a result of deficit retained earnings in the amount \$16,181. The working capital position of the company is extremely tenuous.

A statement of operations for the nine months ended March 31, 1975, reflects a net loss of \$16,181. During that period, Beltway generated revenues only from the performance of transportation between Dulles or National and hotels or motels in Montgomery County or Prince George's County, Maryland. The cost of generating those revenues is shown to be \$36,525 with an additional \$27,156 in administrative expenses and \$1,228 in interest expense. The net loss does not reflect principal payments on a five year bank loan secured by personal assets of the owners of Beltway and a three year equipment obligation.

DISCUSSION AND CONCLUSIONS

The findings to be made by the Commission with respect to applications for certificates of public convenience and necessity are set forth in Title II, Article XII, Section 4(b) of the Compact. The Commission must make two separate findings. First, the applicant must be "fit, willing and able" to perform the proposed transportation properly and to conform to the provisions of the Compact and the rules, regulations and requirements of the Commission thereunder. Second, the proposed transportation "must be or will be required" by the public convenience and necessity.

The Commission is of the opinion that Beltway's financial condition is marginal. However, Beltway's temporary authority operations for General Electric resulted in a rate of return of approximately 9.6 percent for the period April 1, 1975, through May 31, 1975. The Commission believes that the record supports a finding that Beltway is fit, willing and able to perform the proposed transportation properly and to conform to the provisions of the Compact and the rules, regulations and requirements of the Commission thereunder.

The Commission further believes that the record supports a finding that the public convenience and necessity requires the transportation of General Electric's students between the General Electric training facility and the hotels or motels set forth in Appendix A hereto. The Commission does not believe that the public convenience and necessity requires certification of transportation of General Electric's students between the General Electric training facility and any hotel or motel within Montgomery County, Maryland. Accordingly, to this limited extent, Beltway's application shall be denied.

The Compact bestows upon the Commission "the power to attach to the issuance of a certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require". See Compact, Title II, Article XII, Section 4(b). The Commission believes that the public interest requires that a condition be imposed upon the authority herein granted to Beltway. The contract with General Electric contains a provision for service between General Electric's training facility and any restaurant or country club located within the Rockville, Gaithersburg, Bethesda, Maryland, area. As previously indicated, General Electric desires that Beltway provide that service. The certificate issuing the authority herein granted shall contain a condition requiring Beltway to perform that service.

The Compact requires each carrier to "file with the Commission, and keep open to public inspection, tariffs showing (1) all fares it charges for transportation subject to this Act, . . . , and (2) to the extent required by regulations of the Commission, the regulations and practices of such carrier affecting such fares." See Compact, Title II, Article XII, Section 5(a). The Commission shall direct Beltway to file such a tariff.

As previously indicated, the rate for the service would be \$3.25 per person per trip. Although that rate has been agreed to by the person rendering the service and the person using the service, the Commission "may suspend any fare, regulation, or practice shown in a tariff . . . at any time before such fare, regulation or practice would otherwise take effect." See Compact, Title II, Article XII, Section 6(a)(1). The Commission has given consideration to, among other things, the financial condition of Beltway, its revenue requirements, and whether Beltway is being operated economically and efficiently. The Commission concludes that the rate set forth in the record is just, reasonable and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District.

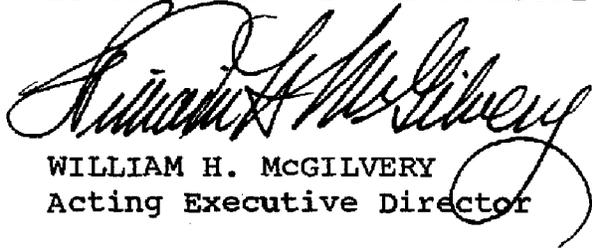
THEREFORE, IT IS ORDERED:

1. That Application No. 859 of Beltway Limousine Service, Inc., be, and it is hereby, granted in part and denied in part, as provided herein.

2. That Beltway Limousine Service, Inc., be, and it is hereby, issued amended Certificate of Public Convenience and Necessity No. 25, as attached hereto as Appendix B and made a part hereof.

3. That Beltway Limousine Service, Inc., be, and it is hereby, directed to file Supplement No. 1 to WMATC Tariff No. 2 in accordance with the authority granted herein, such supplement to be effective upon acceptance by the Executive Director.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVERY
Acting Executive Director

LIST OF HOTELS/MOTELS

<u>Hotel/Motel</u>	<u>Address</u>
Bethesda Inn	5520 Wisconsin Ave., Chevy Chase, Md.
Holiday Inn	8120 Wisconsin Ave., Bethesda, Md.
Holiday Inn	8777 Georgia Ave., Silver Spring, Md.
Holiday Inn	2 Montgomery Village Ave., Gaithersburg, Md.
United Inn of America	1130 Wisconsin Ave., Bethesda Md.
Colonial Manor Motel	11410 Rockville Pike, Rockville, Md.
The Georgian Inn	7990 Georgia Ave., Silver Spring, Md.
Howard Johnsons	5530 Wisconsin Ave., Bethesda, Md.
Howard Johnsons	University Blvd. W & Viers Mill Rd., Wheaton, Md.
Quality Inn Silver	8040-13th St., Silver Spring, Md.
Washingtonian Motel & Country Club	Shady Grove Rd., Gaithersburg, Md.
Rainbow Motor Lodge	11520 Rockville Pike, Rockville, Md.
Ramada Inn	1251 Montgomery Ave., Rockville, Md.
Ramada Inn	8400 Wisconsin Ave., Bethesda, Md.
Sheraton-Silver Spring Motor Hotel	8727 Colesville Rd., Silver Spring, Md.
Twin Towers Motel	1110 Fidler Lane, Silver Spring, Md.

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

No. 25

BELTWAY LIMOUSINE SERVICE, INC.

SILVER SPRING, MARYLAND

AFTER DUE INVESTIGATION, it appearing that the above named carrier has complied with all applicable provisions of the Washington Metropolitan Area Transit Regulation Compact, and the requirements, rules and regulations prescribed thereunder and therefore is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District, as a carrier and the Commission so finding;

THEREFORE, IT IS ORDERED, that the said carrier be, and it is hereby, granted this certificate of public convenience and necessity as evidence of the authority of the holder to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions and limitations as are now, or may hereafter, be attached to the exercise of the privilege herein granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

IRREGULAR ROUTES:

SPECIAL OPERATIONS; limited to by appointment only:

Between the Dulles International Airport, Chantilly, Virginia, or Washington National Airport, Gravelly Point, Virginia, on the one hand, and on the other, Hampshire Motor Inn, 7411 New Hampshire Avenue, Langley Park, Maryland; Holiday Inn, Route 301 and Route 50, Bowie, Maryland; Holiday Inn, 9137 Baltimore Boulevard, College Park, Maryland; Holiday Inn, 10000 Baltimore Boulevard, College Park, Maryland; Holiday Inn, Gaithersburg, Maryland; Howard Johnsons

Washington N. E., Baltimore-Washington Parkway, Cheverly, Maryland; In State Inn, Allentown Road, Camp Springs, Maryland; Interstate Inn, 8601 Baltimore Boulevard, College Park, Maryland; Quality Inn, 7200 Baltimore Boulevard, College Park, Maryland; Ramada Inn, Route 70S, Gaithersburg, Maryland; Ramada Inn-Washington N. E., 5910 Princess Garden Parkway, Lanham, Maryland; Sheraton Inn-Washington N. E., 8500 Annapolis Road, New Carrollton, Maryland; and Washingtonian Motel, Shady Grove Road, Gaithersburg, Maryland.

RESTRICTED to the performance of such operations in vehicles with a seating capacity of twelve (12) to fifteen (15) persons.

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport students of the General Electric Company between General Electric's National Training facility, 401 North Washington Street, Rockville, Maryland, on the one hand, and on the other, Bethesda Inn, 5520 Wisconsin Avenue, Chevy Chase, Md., Holiday Inn, 8120 Wisconsin Avenue, Bethesda, Md.; Holiday Inn, 8777 Georgia Avenue, Silver Spring, Md.; Holiday Inn, 2 Montgomery Village Avenue, Gaithersburg, Md.; United Inn of America, 1130 Wisconsin Avenue, Bethesda, Md.; Colonial Manor Motel, 11410 Rockville Pike, Rockville, Md.; The Georgian Inn, 7990 Georgia Avenue, Silver Spring, Md.; Howard Johnsons, 5530 Wisconsin Avenue, Bethesda, Md.; Howard Johnsons, University Boulevard and Viers Mill Road, Wheaton, Md.; Quality Inn Silver, 8040-13th Street, Silver Spring, Md.; Washingtonian Motel & Country Club, Shady Grove Road, Gaithersburg, Md.; Rainbow Motor Lodge, 11520 Rockville Pike, Rockville, Md.; Ramada Inn, 1251 Montgomery Avenue, Rockville, Md.; Ramada Inn, 8400 Wisconsin Avenue, Bethesda, Md.; Sheraton-Silver Spring Motor Hotel, 8727 Colesville Road, Silver Spring, Md.; and Twin Towers Motel, 1110 Fidler Lane, Silver Spring, Md.

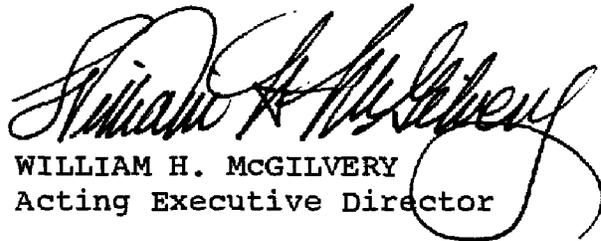
CONDITION: The authority granted herein is conditioned upon the performance of such transportation between General Electric's National Training facility and restaurants or country clubs located within Montgomery County, Maryland, as stated in the contract between General Electric Company and Beltway Limousine Service, Inc.

IT IS FURTHER ORDERED that the transportation authorized by this certificate of public convenience and necessity shall be limited to the performance of service pursuant to agreement between Beltway Limousine Service, Inc., and General Electric Company provided, however, that written notice must be filed by the carrier with the Commission within five (5) days of any cancellation or termination of the aforementioned agreement, and further provided that any change in or amendment to the aforementioned agreement shall be filed with the Commission for approval at least fifteen (15) days prior to the proposed effective date of such change or amendment, and further provided that any change or amendment to the aforementioned agreement which would involve new authority shall be subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact and the Rules and Regulations of the Commission.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous and adequate service to the public in pursuance of the authority granted herein, and that failure so to do shall constitute sufficient grounds for suspension, change or revocation of the certificate.

The operating authority granted by this certificate is granted pursuant to Order No. 1425, served May 12, 1975, and Order No. 1446, served July 28, 1975.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVERY
Acting Executive Director