

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1819

IN THE MATTER OF:

Served March 21, 1978

Application of ARLINGTON YELLOW )	Application No. 1026
CAB COMPANY, INC., to Transfer )	
Certificate No. 26 to AIRPORT )	Docket No. 396
LIMO, INC. )	

By Application No. 1026, filed November 22, 1977, Arlington Yellow Cab Company, Inc. (Yellow Cab), seeks approval pursuant to Title II, Article XII, §12(b) of the Compact to transfer by sale its Certificate of Public Convenience and Necessity No. 26, issued May 27, 1975, to Airport Limo, Inc. (Airport Limo), of Virginia.

In support of this application, the parties have submitted a bilateral contract of sale,<sup>1/</sup> a financial statement for Arlington Red Top Cab Company, <sup>2/</sup> a list of Airport Limo's current officers and directors, a copy of Airport Limo's articles of incorporation, and Airport Limo's projected operating statements. As mandated by the Compact, Title II, Article XII, §12(b), a public hearing was scheduled and held on January 24, 1978.

Witnesses from both Yellow Cab and Airport Limo testified at the hearing. Both witnesses credibly testified that Airport Limo is better equipped to serve Northwest and Delta Air Lines flight crews than is Yellow Cab because of Airport Limo's presence at both Dulles and National airports. Yellow Cab is not located at such airports and, therefore, is not able to respond to airline requirements as rapidly as Airport Limo. Both witnesses credibly testified that airline flight crew ground transportation can be provided more efficiently by Airport Limo than by Yellow

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1/ The contractual sales price is \$1,000.

2/ Applicant asserts that, inasmuch as Airport Limo has just begun operations, it has no real financial statement. Therefore, applicant has submitted a financial statement for Arlington Red Top Cab Company, "a corporation controlled and owned by the owner of Airport Limo, Inc." We note, however, that in Application No. 1024, Allstate Messenger and Delivery Service, Inc., (Allstate) was substituted as the financial underwriter of Airport Limo. The Commission shall take official notice of Exhibit Nos. H-20 and H-21 in that proceeding, as described in greater detail below. The Commission shall also consider this application to be amended to the extent warranted by said exhibits.



Cab, because Airport Limo primarily is in the limousine business, while Yellow Cab is not. Both witnesses testified that Delta and Northwest Air Lines strongly support the proposed transfer. Airport Limo's witness testified to various maintenance, safety and operational programs currently utilized by the company so as to provide efficient service.

The above-referenced Exhibit H-20 is a corporate resolution of Allstate, dated January 26, 1978, in which Allstate agrees to loan whatever money is necessary to Airport Limo, to cover the latter's losses. Said loan is repayable at 8 percent interest. The resolution is not revocable absent 60 days prior written notice to the Commission.

Exhibit H-21 is a balance sheet of Allstate, dated June 30, 1977, as pertinent, indicating current assets of \$277,107, total assets of \$406,685, current and long-term liabilities of \$276,575 and \$23,447, respectively, and stockholders' equity of \$106,663. Airport Limo, as its general manager testified in Application No. 1024, is currently operating at a loss of approximately \$4,000 a month.

Title II, Article XII, §12(b) provides that the Commission may approve a transfer if it finds that the proposed transaction is consistent with the public interest. In determining whether this transfer is consistent with the public interest, the Commission considers, among other factors, the fitness of the carrier seeking to obtain the certificate, whether the operating rights to be transferred are dormant and whether the riding public would be benefitted by a transfer of the certificate. The Commission also inquires whether the purchase price of a certificate is fair and reasonable so as to assure, if possible, that the vendee (a) will be able to service the debt to be incurred and (b) will not be including any unreasonable cost in present or future rate requests.

The Commission finds that the proposed transfer is consistent with the public interest. The operating rights to be sold have been continuously active, and the transferee herein should be able to afford a more responsive service to the public than has been available in the past. Airport Limo operates an adequate fleet of suitable equipment, its drivers receive appropriate safety training, and the carrier has evidenced a willingness to comply with pertinent regulatory requirements. Financially, Airport Limo is in a less-than-optimal position. It does have available, however, the more-than-adequate resources of Allstate to assist the company through its lean, formative months. Accordingly, we are of the opinion that findings of financial fitness and reasonability of purchase price are warranted under these circumstances.

THEREFORE, IT IS ORDERED:

1. That Application No. 1026 of Arlington Yellow Cab Company, Inc., be, and it is hereby, granted.

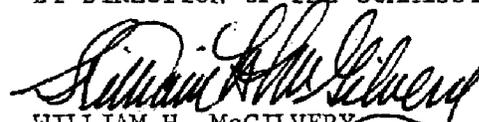
2. That Airport Limo, Inc., be, and it is hereby, directed to file with the Commission within 15 days from the date of service hereof (a) a current certificate of insurance as required by Commission Regulation 62, (b) two copies of its WMATC Tariff No. 1, including copies of Airport Limo, Inc.'s contracts with Northwest Air Lines and Delta Airlines as required by Commission Regulations 55 and 56-03, and (c) a notarized statement of compliance with Commission Regulation 68 governing identification on motor vehicles.

3. That upon compliance with the conditions set forth in the next preceding paragraph, and upon acceptance of said tariff by the Executive Director, an appropriate certificate of public convenience and necessity shall be issued to Airport Limo, Inc.

4. That upon the issuance of said certificate, Certificate of Public Convenience and Necessity No. 26, issued to Arlington Yellow Cab Company, Inc., shall be cancelled.

5. That unless compliance is so made within 15 days from the date of service hereof, or such additional time as may be authorized by the Commission, the grant of approval herein shall stand denied in its entirety effective upon the expiration of the said compliance time.

BY DIRECTION OF THE COMMISSION:

  
WILLIAM H. MCGILVERY  
Executive Director 