

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1826

IN THE MATTER OF:

Served March 31, 1978

Application of McMICHAEL SCHOOL BUS)
SERVICE, INC., for Certificate of)
Public Convenience and Necessity)
to Perform Charter Operations)
Pursuant to Contract U. S. Customs)
Service)

Case No. AP-78-1

By application filed January 3, 1978, McMichael School Bus Service, Inc. (McMichael), seeks a certificate of public convenience and necessity to perform charter operations pursuant to contract with the U. S. Customs Service transporting U. S. Customs agents between the Quality Inn, 1190 Court House Road, Arlington, Va., and the U. S. Customs Service Academy, 3520 Prospect Street, N. W., Washington, D. C.

By Order No. 1768, served November 11, 1977, McMichael was granted corresponding temporary authority for the period November 15, 1977, through May 23, 1978. The proposed service is essentially a shuttle operation whereby agents of the U. S. Customs Service from various parts of the country are transported to Washington, D. C., each work-day morning and returned to Arlington each work-day afternoon.

By Order No. 1796, served on January 10, 1978, the Commission scheduled a public hearing to commence on February 16, 1978. No protests to the application were filed and no testimony in opposition to the application was received.*

McMichael holds Certificate of Public Convenience and Necessity No. 24, authorizing certain transportation in school bus vehicles only. McMichael owns and operates 20 school buses. The U. S. Customs Service

*/ On February 15, 1978, Omnibus Corporation filed a Motion for Leave to File Protest Out of Time. The Commission denied the motion and ruled that Omnibus Corporation had good and sufficient notice of the hearing and, therefore, no showing of good cause for failure timely to protest had been made.

will require from 3 to 5 buses a day during the period November 14, 1977, through September 29, 1978, for a total of 485 buses during the contract period. McMichael would be paid \$70 per bus, per round trip, the same rate specified in its current WMATC Tariff No. 1, Supplement No. 1. McMichael will provide service with school buses having a minimum seating capacity for 44 persons.

A budget and planning officer for the U. S. Customs Service, testified on behalf of McMichael. He stated that the U. S. Customs Service requires the subject transportation and will have a need therefor in the future. Prior to November 14, 1977, Omnibus Corporation had provided such transportation as the result of being the low bidder on a contract where offers had been solicited, but inasmuch as Omnibus Corporation was not certificated to provide such transportation, McMichael, the next lowest bidder, was contacted to provide the service. A new contract was executed by McMichael and the U. S. Customs Service. The witness is familiar with the day-to-day operations of the academy with regard to transportation and knows of no other carrier who could feasibly provide the required service. He indicated that the next-lowest-priced carrier would charged \$140 per round trip, double the rate charged by McMichael. He also testified that the quality of the service being provided by McMichael was very good and that he supported the instant application.

A financial statement portraying McMichael's position on December 31, 1977, was presented and attested to by the preparer, a certified public accountant. McMichael's operations generated a net operating loss of \$2,294.49 for 1977 and an overall net loss of \$1,937.96. This contrasted with a loss of approximately \$11,000 for 1976.

Projections of income and expenses for 12 months ending December 31, 1978, show McMichael generating operating revenue of \$391,558 including \$35,000 from the U. S. Customs Service and incurring operating expenses of \$370,135 including \$32,667 relating to the U. S. Customs Service. The projected profit before and after taxes would be \$21,423 and \$15,320, respectively, including estimated before- and after-tax profits of \$2,033 and \$1,693 attributable to service for U. S. Customs Service. Despite McMichael's small loss in 1977, the accountant opined that 1978 would show a profit as projected and that McMichael could provide the service to the U. S. Customs Service without adversely affecting the stability of the business.

The Compact, Title II, Article XII, Section 4(b) provides that ". . . the Commission shall issue a certificate to any qualified applicant therefor, authorizing the whole or any part of the transportation covered by the application, if it finds, after hearing held upon reasonable notice, that the applicant is fit, willing and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Commission thereunder, and that such transportation is or will be required by the public convenience and necessity;

otherwise such application shall be denied." The Commission finds that the statutory criteria have been met and that the application should be granted.

Applicant has demonstrated a clear public need for the proposed service. Operations performed under temporary authority were apparently well received, and there appears to be no adequate alternative service available. Furthermore, applicant has presented evidence showing that it is fit, financially and otherwise, properly to perform the service authorized.

The Compact also 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 the regulations of the Commission, the regulations and practices of such carrier affecting such fares." See Compact, Title II, Article XII, Section 5(a), and Commission Regulation 55 thereunder. Applicant will be required to file an appropriate tariff with this Commission, including a copy of the underlying contract.

THEREFORE, IT IS ORDERED:

1. That Case No. AP-78-1 of McMichael School Bus Service, Inc., be, and it is hereby, granted.
2. That McMichael School Bus Service, Inc., be, and it is hereby, directed to file two copies of an appropriate WMATC Tariff in accordance with the authority granted herein, within 30 days from the date of service hereof, such tariff to be effective upon acceptance by the Executive Director.
3. That upon timely compliance with the requirement of the next preceding paragraph, an appropriately revised Certificate of Public Convenience and Necessity No. 24 shall be reissued to McMichael School Bus Service, Inc.
4. That in the event McMichael School Bus Service, Inc., fails so to comply within the said 30 days, or such further time as may be authorized by the Commission, the grant of authority made herein shall be null and void and Case No. AP-78-1 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 

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

NO. 24*

McMICHAEL SCHOOL BUS SERVICE, INC.

OXON HILL, MARYLAND

By Order Nos. 1419, 1593, 1651, and 1826 of the Washington Metropolitan Area Transit Commission issued April 8, 1975, August 13, 1976, February 17, 1977, and March 31, 1978;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier 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, for the reasons and subject to the limitations set forth in Order Nos. 1419, 1593, 1651, and 1826;

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:

PART A

IRREGULAR ROUTES:

CHARTER OPERATIONS, round-trip or one-way, from points within the District of Columbia and the counties of Montgomery and Prince George's, Maryland, to points within the Metropolitan District, and return.

PART B

SPECIAL OPERATIONS, transporting students only, from points in the Metropolitan District to St. Ignatius Parochial School, 2317 Brinkley Road, Oxon Hill, Maryland; St. John's School, 8914 Old Branch Avenue, Clinton, Maryland; St. Columba Roman Catholic School, 7800 Livingston Road, Oxon Hill, Maryland; Holy Family

School, 2210 Calaway Street, Hillcrest Heights, Maryland; LaReine High School, 5100 Silver Hill Road, Suitland, Maryland; and Bishop McNamara High School, 6800 Marlboro Pike, Forestville, Maryland, and return.

CHARTER OPERATIONS, transporting students and teachers only, from schools in Arlington County, Cities of Alexandria, Falls Church and Fairfax, and County of Fairfax, Virginia, to points in the District of Columbia, Montgomery County and Prince George's County, Maryland, and return.

RESTRICTED in A and B above to the performance of such transportation in school bus vehicles only.

PART C

CHARTER OPERATIONS PURSUANT TO CONTRACT, transporting agents of the United States Customs Service, between Quality Inn, 1190 Court House Road, Arlington, Virginia, and U. S. Customs Service Academy, 3520 Prospect Street, N. W., Washington, D. C.

IT IS FURTHER ORDERED that the operations authorized by Part C of this certificate of public convenience and necessity shall be limited to the performance of service pursuant to a continuing contract or contracts between McMichael School Bus Service, Inc., and the United States Customs Service, provided, however, that written notice must be filed by the carrier with the Commission within five (5) days of any cancellation or termination of any of the aforementioned agreements, and further provided that any change in or amendment to any of the aforementioned agreements 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 any of the aforementioned agreements 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.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

* This certificate cancels and supercedes Certificate of Public Convenience and Necessity No. 24 issued February 17, 1977.