

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2267

IN THE MATTER OF:

Served October 30, 1981

Application of ROBERT COATES T/A)
ROBERT COATES LIMOUSINE SERVICE)
for Authority to Increase Rates)

Case No. AP-81-22

On October 2, 1981, Robert Coates trading as Robert Coates Limousine Service completed and filed his WMATC Tariff No. 1, Supplement No. 2, proposing to cancel his currently effective WMATC Tariff No. 1. It is proposed that the new tariff, which includes a rate increase of 60 percent for special operations, become effective on 30-days notice. */

Specifically, the currently effective tariff has a charge of \$.50 per loaded passenger mile for special operations transporting persons in need of non-emergency medical treatment. The proposed tariff includes a per-passenger rate of \$.80 per mile and an additional charge of \$2.50 per one-way trip for each passenger regularly requiring special assistance. This assessment will be made known by the carrier to the fare-paying party prior to rendition of special assistance.

In support of the application Coates filed a pro forma income statement.

Title II, Article XII, Section 6(a)(1) of the Compact authorizes the Commission to suspend any fare, regulation or practice at any time prior to the effective date thereof. In considering whether such fare, regulation or tariff shall be suspended, the Commission must consider, inter alia, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. Further, the Compact, Title II, Article XII, Section 6(a)(2) mandates that fares, regulations or

*/ The proposed effective date is not specified and is therefore presumed to be November 1, 1981, the 30th day after the date on which the tariff was filed. See Compact, Title II, Article XII, Section 5(e).

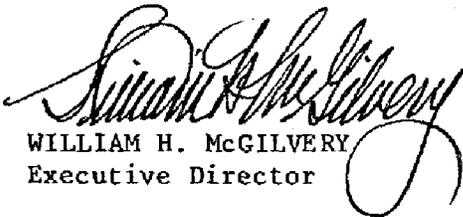
practices relating thereto must be just, reasonable, and not unduly preferential either between riders or sections of the Metropolitan District. Subsections (a)(3) and (a)(4) list additional considerations, including the need, in the public interest, of adequate and efficient transportation service by a carrier at the lowest cost consistent with the furnishing of such service, and the opportunity for a carrier to earn a net return of at least 6.5 percent after all taxes properly chargeable to transportation operations.

The staff's review of applicant's financial data indicates that more information is needed to determine the propriety of the proposed tariff. The proposed charge represents a large increase over the existing rate structure and is not supported by sufficient financial data to enable the Commission to determine that the rate will produce a reasonable rate of return. The additional information needed includes the number of passengers transported and number of trips made for a representative test period, a breakdown of current expenses including drivers' salaries, gas and oil expense and maintenance costs, as well as a reasonable owner's wage and the effects of company taxes. In addition, an appropriate projection of expenses should be included with the pro forma projection of revenue. The revenue amount must specify receipts from both private passengers and those whose transportation is paid for by Prince George's County Health Department. In addition, applicant should provide a projection of the effect of introducing an assessment for special assistance.

Pursuant to the above-cited provision of the Compact, the proposed tariff will be suspended, and new rates will not be approved pending resolution of the questions raised by the staff.

THEREFORE, IT IS ORDERED that WMATC Tariff No.1, Supplement No. 2, filed October 2, 1981, by Robert Coates trading as Robert Coates Limousine Service, is hereby suspended effective November 1, 1981, for a period of 90 days through January 29, 1982, unless otherwise ordered by the Commission.

BY DIRECTION OF THE COMMISSION, COMMISSIONERS CLEMENT, SCHIFTER AND SHANNON:


WILLIAM H. MCGILVERY
Executive Director