

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2305

IN THE MATTER OF:

Served January 13, 1982

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

Case No. AP-81-22

By Order No. 2267, served October 30, 1981, the Commission suspended WMATC Tariff No. 1, Supplement No. 2 of Robert Coates trading as Robert Coates Limousine Service, which tariff otherwise would have become effective November 1, 1981. The suspension was ordered because applicant did not file requested data in support of his proposed rate increase prior to the effective date of the tariff.

Review of the subsequently-filed supporting data shows that applicant has been suffering a loss under the existing rate. At the proposed rate applicant projects a net loss after estimating the considerable new cost of renting a garage and office space, including utility expense, and self-payment of labor expense for maintenance work.

The Commission will disallow a portion of the projected cost of garage and office facilities because of the significant increase of the expense (from nothing to \$10,500 a year), especially when viewed with the projected revenue, as annualized, of \$70,755. In addition, a portion of the maintenance expense will be disallowed as it relates to labor charges for work performed by the proprietor inasmuch as a proprietor's wage expense is also included in projected expenses. After adjusting the described expense, the proposed rate structure should produce a just and reasonable return in accordance with the provisions of Title II, Article XII, Section 6 of the Compact. Accordingly, the suspension shall be terminated and the proposed rate of 80 cents per mile per passenger and \$2.50 for special assistance per one-way trip ^{1/} will be allowed to take effect on Monday, January 18, 1982.

^{1/} The assessment of the charge for special assistance is to be made known to the fare-paying party prior to the rendering of transportation service.

Applicant is admonished that any future application for a rate increase must contain detailed financial data supporting the request. Order No. 2125, served July 7, 1980, which authorized issuance of a certificate of public convenience and necessity to Mr. Coates found that the proposed rate was ". . . not supported by sufficient financial data to enable the Commission to determine that that rate will produce a reasonable rate of return." 2/ In addition, the Commission found that applicant transported private passengers whose fares were not included in the projection of revenue. 3/ Similarly, in the instant application, while a projection of revenue from private patients is included, the number of passengers and trips involved is not delineated. Any future request for a rate increase should include both information regarding the number of private passengers and revenue earned from their transportation as well as the efforts expended in increasing private passenger income. Order No. 2125 described how the rate set therein was to enable recovery of projected expenses primarily from transportation paid for by Prince George's County, and how private passenger revenue should be sufficient for applicant to recover additional variable expenses and earn a reasonable level of profit for the overall operation. 4/ In determining whether any proposed change shall be suspended, the Commission shall give consideration to, among other things, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. Compact, Title II, Article XII, Section 6(a)(1).

Applicant will be directed to post a notice of the fare authorized by this order in his vehicles as notice to the public of this action. Applicant's tariff will be redesignated WMATC Tariff No. 2 rather than WMATC Tariff No. 1, Supplement No. 2.

THEREFORE, IT IS ORDERED:

1. That the suspension of WMATC Tariff No. 2 of Robert Coates trading as Robert Coates Limousine Service is terminated effective Monday, January 18, 1982, at 12:01 a.m.

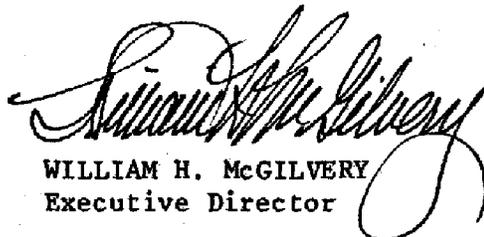
2/ Order No. 2125, served July 7, 1980, at p. 4.

3/ See Order No. 2125 at p. 5. A majority of Mr. Coates' passengers have their transportation paid for by the Prince George's County Health Department.

4/ See Order No. 2125 at p. 5.

2. That Robert Coates trading as Robert Coates Limousine Service post continuously and conspicuously for a period of one week in each of his vehicles notice of this action and the fares authorized thereby no later than one day from the date of service of this order.

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



WILLIAM H. MCGILVERY
Executive Director