

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2661

IN THE MATTER OF:

Served February 6, 1985

Provision of Emergency Service for)
Commuters from Greenbelt, Md.)

Case No. MP-84-09

Application of THE AIRPORT CONNEC-)
TION, INC., OF MARYLAND for a)
Certificate of Public Convenience)
and Necessity to Conduct Special)
Operations -- Greenbelt, Md.)

Case No. AP-84-46

The genesis of these cases is described in Order No. 2624 and 2632 1/ which are incorporated by reference herein. Briefly restated, commuter service which had been performed by the State Aviation Administration of Maryland (SAA) for several years between Greenbelt, Md., and the District of Columbia was scheduled to terminate effective November 1, 1984. In order to preserve service, the Commission directed Airport Baggage Carriers, Inc. (ABC), 2/ to render the service while sufficient data could be gathered to fashion a solution to this problem. In order to ascertain the transportation requirements of the involved commuters, the Commission scheduled a public hearing to be held in Greenbelt on December 18, 1984.

On December 14, 1984, The Airport Connection, Inc., of Maryland (TAC-MD), filed an application for a certificate of public convenience and necessity to transport passengers, in special operations, between Greenbelt, Md., on the one hand, and, on the other, the Capital Hilton and Washington Hilton Hotels, both located in Washington, D.C. Because the Commission had reserved ". . . full jurisdiction to take such further action as may be warranted by the evidence adduced at the hearing, including, but not limited to, the processing of an application for a certificate of public convenience and necessity on an expedited basis and without further hearings. . .", the Hearing Officer on December 18, 1984, took testimony in both of the above-captioned cases. Because the two cases involve the same facts and issues of law, the Hearing Officer recommends and the Commission finds that they should be decided together on a consolidated record.

1/ Served October 31, and November 27, 1984, respectively.

2/ The privately-owned carrier that had been contracted to operate the BWI-Washington service in lieu of SAA.

TAC-MD is a wholly owned subsidiary of ABC. Although neither of these corporations holds a certificate from this Commission, The Airport Connection, Inc. (TAC), a Virginia corporation which is also a wholly owned subsidiary of ABC, holds Certificate No. 111 authorizing charter and special operations to and from Washington National and Dulles International Airports. TAC-MD operates 23 vans and six motor coaches.

John L. Tanavage, president of ABC and vice president of TAC-MD testified on behalf of the applicant. Effective November 1, 1984, ABC began operations between Baltimore-Washington International Airport, on the one hand, and, on the other, the two Hilton hotels in Washington, D.C., pursuant to a contract with SAA. Greenbelt is served as an intermediate point. Between the effective date of the contract and the date of the public hearing, TAC-MD was established and assumed the contractual obligations of ABC to provide service between Washington and BWI.

The contract with SAA does not provide for service between Greenbelt and Washington, and ABC initially planned to perform only airport service. Now, says Mr. Tanavage, ". . .we certainly will treat the Greenbelt passengers, who are very loyal to the service, as we would any other passengers on any of our vehicles." TAC-MD is making every effort to work out problems with commuter ticket production, distribution and redemption.

TAC-MD proposes rates of \$4.50 for a one-way ticket, \$6.00 for a two-ride ticket and \$30.00 for a 10-ride ticket. The two-ride ticket replaces the originally authorized "round-trip" ticket and may be used for any combination of northbound and/or southbound rides. TAC-MD projects first-year revenues from Greenbelt commuter operations will be \$13,000 based on six round-trip riders a day. Expenses, all of which were projected on a revenue-allocated basis, are estimated to be \$12,100 for a profit of \$900 before income taxes.

TAC-MD is obliged to keep detailed records for SAA, regarding the BWI-D.C. service. Segregation of revenues from the Greenbelt - D.C. portion of the operation would be no burden to the company, but allocation of expenses would be a hardship costing well over 50 percent of the profit which the commuter service might otherwise generate. Applicant would prefer, in lieu of the standard annual report, to file with this Commission a copy of TAC-MD's report to SAA.

Seven public witnesses testified in support of maintaining the commuter service. Gil Weidenfeld, Mayor of Greenbelt, believes the service is valuable to a segment of his constituency and can be provided at little marginal cost to the applicant. Mayor Weidenfeld

objects to the proposed \$4.50 one-way fare which is double the cost of the one-way fare in effect until October 31, 1984. 3/

Deanne Lange uses the commuter service approximately five times a week. According to this witness, transportation time via this direct service is approximately 35 minutes as opposed to approximately 70 minutes involved in taking a Metrobus to New Carrollton, Md., then transferring to Metrorail. Nancy Clark usually commutes via a van pool because it is less expensive. However, she uses the commuter bus service to get home for an emergency during the day or when she misses the van pool. Because Metrobus service is only available during rush hour, Ms. Clark would have to take a taxicab if the commuter bus service were not available.

Francis Mihalovic uses the commuter bus service and states that it is the only public transportation (other than taxicabs) which accomodates people who must work late in the evenings. Malise Dick uses the commuter bus five days a week unless his job requires him to be out of town. He agrees with Ms. Lange that Metro is inconvenient because of excessive travel time and restricted hours of service. As a transportation economist, Mr. Dick believes that \$3.00 for a one-way trip ". . . is a very reasonable price. . .", and he feels that the marginal cost of providing the commuter service as part of the BWI-D.C. route will enable TAC-MD to earn ". . . quite a reasonable degree of profit. . . ."

Elda Cantor testified that the commuter bus service is the only public transportation available on Sundays. Ms. Cantor uses the bus on weekdays for recreational or medical purposes and, occasionally, on weekdays when her work hours differ from the vanpool in which she usually commutes. Approximately twice a month, Eugenia Kalnay uses the bus on weekends for recreational trips. The availability of this service was a major factor in her decision to move to Greenbelt.

Title II, Article XII, Section 4(b) of the Compact provides that the Commission shall grant an application for a certificate of public convenience and necessity where the applicant is fit, willing and able properly to perform the proposed service and to abide by pertinent regulatory requirements and where the service is required by the public convenience and necessity. The Hearing Examiner recommends, and we find, that both statutory criteria have been met.

TAC-MD operates suitable, well maintained vehicles, and its officers are familiar with, and have abided by, Commission

3/ The \$2.25 fare was established by SAA, an instrumentality of the State of Maryland. We take official notice of the fact that the SAA service operated at a substantial loss which was subsidized by revenue appropriations from the Maryland legislature. TAC-MD will not receive any direct public subsidy.

requirements. There is no question that the service is required by several Greenbelt residents. We have serious reservations about the economic viability of the Greenbelt-D.C. service standing alone; as a part of the overall BWI-D.C. route, however, the revenues generated should exceed marginal costs. Subject to the reasonable conditions set forth below, the Commission finds that the application of TAC-MD should be granted, and that, upon issuance of a certificate to that carrier, ABC should be discharged from the service obligations imposed pursuant to Title II, Article XII, Section 4(e) of the Compact.

Because TAC and TAC-MD will be carriers operating in the Metropolitan District, certification of TAC-MD also requires approval of common control pursuant to Title II, Article XII, Section 12(a)(2) of the Compact. Inasmuch as the two carriers will be performing substantially different services, we see little possibility of price or service discrimination or other practices inimical to the public interest. In only one area, future ratemaking, can a potential for adverse consequences be reasonably foreseen. Problems such as allocation of assets, values, depreciation bases, and expenses can be easily avoided by careful preservation of each corporation's autonomy. Therefore, we shall condition our approval of common control on maintenance of separate books, records, facilities and operations by the two corporations.

Finally, the Commission acknowledges with gratitude the cooperation and assistance of ABC, TAC-MD, the State Aviation Administration, the Greenbelt city government and, most of all, the concerned citizens of Greenbelt. The patience and public spirited dedication of all concerned has been instrumental in achieving an uninterrupted continuation of service to Greenbelt riders.

THEREFORE, IT IS ORDERED:

1. That the application of The Airport Connection, Inc., of Maryland in Case No. AP-84-46 is hereby granted.
2. That applicant is hereby assigned WMATC Carrier No. 118.
3. That applicant is hereby directed, within 15 days from the date of service of this Order to file with the Commission (a) two copies of its WMATC Tariff No. 1 including the one, two, and 10-ride fares specified above; (b) an affidavit of compliance with Regulation No. 68 governing identification of vehicles; and (c) a certificate of insurance in compliance with Regulation No. 62.
4. That, upon compliance with the requirements of the preceding paragraph within the time set therefor or such additional time as may be authorized by the Commission, an appropriate certificate of public convenience and necessity be issued to The Airport Connection, Inc., of Maryland.

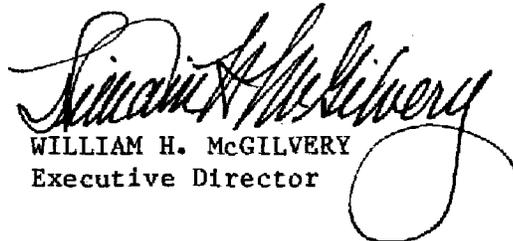
5. That, upon issuance of said certificate, Case No. MP-84-09 shall stand discontinued and Airport Baggage Carriers, Inc., shall stand discharged from the service obligations imposed therein.

6. That, such action being in the public interest, approval is hereby granted for the common control, ownership and management of The Airport Connection, Inc. (a Virginia corporation) and The Airport Connection, Inc., of Maryland by Airport Baggage Carriers, Inc., John L. Tanavage and Mordecai Ellsworth Buckingham, III, provided that the operations, assets, liabilities, books, records and accounts of the carriers are kept completely separate and are not consolidated, merged or interchanged in any way.

7. That, in lieu of filing a WMATC annual report, The Airport Connection, Inc., of Maryland shall, unless otherwise ordered by the Commission, file with the Commission a copy of its annual report to the Maryland State Aviation Administration together with an annual statement of revenues attributable to operations conducted pursuant to WMATC Certificate No. 118.

8. That, unless The Airport Connection, Inc., of Maryland complies with the requirements of the third ordering paragraph of this Order within the time set therefor or such additional time as the Commission may authorize, the grant of authority made herein shall be void and the application in Case No. AP-84-46 shall stand denied in its entirety.

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


WILLIAM H. MCGILVERY
Executive Director