

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2679

IN THE MATTER OF:

Served March 8, 1985

Application of THE AIRPORT CONNEC-)
TION, INC., for Approval of Tariff)
Supplement)

Case No. AP-85-10

By application filed March 1, 1985, The Airport Connection, Inc. (TAC), seeks approval of Supplement No. 1 to its WMATC Tariff No. 1. */ In addition, TAC moves the Commission to grant such approval on less than the normally-required 30 days' notice so that the tariff supplement may become effective on March 15, 1985.

The purpose of this tariff supplement is to implement a pilot promotional program pursuant to a contract with New York Airlines, Inc. (NY Air). A copy of the executed contract was submitted along with the application. The contract is subject to approval by both the Federal Aviation Administration (FAA) and this Commission. FAA approved the agreement by letter of February 27, 1985.

Under the program, each passenger who purchases a ticket on NY Air to or from Washington National Airport or Dulles International Airport will receive at no additional charge a coupon good for a ride on TAC (to or from, as appropriate) anywhere on TAC's system in the Metropolitan District. Round-trip ticket purchasers will receive two such coupons.

For accounting convenience, each coupon honored by TAC will be redeemed at \$5.50 by NY Air. This figure represents a weighted average of TAC's Dulles and National fares, so that the accounting process will be simplified by handling only a single coupon denomination.

TAC believes the program will substantially increase its ridership by attracting passengers who have not previously tried its service. Without this program, TAC projects for calendar year 1985 a net operating loss of over \$44,000. With this program in place, TAC projects for the same period net operating income of over \$55,000.

The contract provides for an initial 90-day test period, after which either party may terminate the agreement on 30 days' notice. In the event the agreement is terminated, coupons outstanding at the time of termination will be honored until their expiration date.

*/ TAC's currently effective tariffs are WMATC Nos. 2 and 3. This application involves Supplement No. 1 to WMATC Tariff No. 2.

The application indicates that NY Air will be scheduling five additional flights into Dulles beginning March 15, 1985, and that NY Air considers it critically important that this promotion coincide with its advertising campaign for these new flights. Indeed, the contract provides that NY Air will undertake a heavy advertising and promotional campaign. For these reasons, TAC requests expedited approval of its tariff supplement.

TAC proposes to report the results of this program to both FAA and this Commission on a monthly basis and to provide a summary report at the end of the 90-day test period.

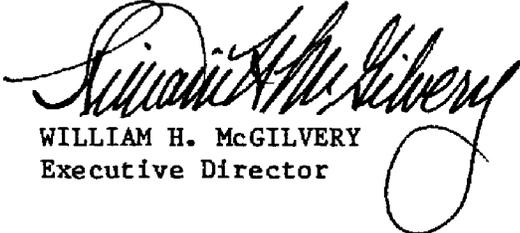
Upon consideration of the application, the proposed tariff and underlying contract, and the financial and other supporting material provided, we shall approve the proposal to become effective March 15, 1985.

THEREFORE, IT IS ORDERED:

1. That the application of The Airport Connection, Inc., in Case No. AP-85-10 is hereby granted.

2. That The Airport Connection, Inc., shall file with the Commission, not later than five days after the date of this Order, two copies of Supplement No. 1 to its WMATC Tariff No. 2, to become effective March 15, 1985.

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


WILLIAM H. MCGILVERY
Executive Director