

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2765

IN THE MATTER OF:

Served September 17, 1985

Application of YELLOW BUS LINES, )  
INC., to Transfer Certificate )  
No. 64 to WILLIAMS BUS LINES, INC. )

Case No. AP-85-22

By application filed June 25, 1985, Yellow Bus Lines, Inc. ("Yellow Bus"), a Virginia corporation, seeks approval pursuant to Title II, Article XII, Section 12(b) of the Compact to transfer by sale its Certificate of Public Convenience and Necessity No. 64 to Williams Bus Lines, Inc. ("Williams Bus").

In support of the application, the parties have submitted an executed bilateral contract of sale and the income statement and balance sheet of Williams Bus. The Commission held a public hearing on this matter on August 22, 1985. Evidence was submitted showing that the required notice had been published in a newspaper of general circulation in the Metropolitan District and that the applicant had otherwise complied with the Commission's Order No. 2737, served July 19, 1985. No protest to the application was filed.

The contract between the parties provides for Williams Bus to purchase the Certificate for \$2,000, payable in four monthly installments of \$500. The contract further provides for the payments to commence within 30 days of the Commission's final approval of the transfer.

Williams Bus is a closely held corporation formed in 1983 under the laws of Virginia. Pursuant to a certificate of public convenience and necessity issued by Virginia, the company has been providing charter and special operation services using school buses. Currently, Williams Bus owns nine vehicles, and if the transfer is approved the company would use those vehicles to provide the required transportation.

The evidence of record in this proceeding indicates that Yellow Bus has been prepared to provide service to the public since issuance of Certificate No. 64. \*/ In calendar year 1984, Yellow Bus

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\*/ Certificate No. 64 was originally issued on May 21, 1980, pursuant to Order No. 2083, served February 20, 1980. The Certificate was later reissued on August 10, 1981, pursuant to Order No. 2243, served July 27, 1981; by its terms, the 1981 Certificate superceded the 1980 Certificate.

transported approximately 5,479 passengers and earned \$13,800 from WMATC operations. Marie Carretta, an officer and co-owner of Yellow Bus, testified that if the company were asked to provide service in the first six months of 1985, Yellow Bus would have provided such service. She further testified that the company had, at all times prior to the hearing, at least one vehicle ready and available to meet the public's transportation needs. Ms. Carretta also testified that due to an ongoing labor dispute, Yellow Bus would not be able to continue its business operations. In fact, the company has taken major steps towards dissolution. The witness indicated that if the transfer were denied, Yellow Bus, in all likelihood, would lose its operating authority since the company would be financially unable to maintain its vehicle insurance. This, in turn, would make the Certificate virtually valueless to Yellow Bus.

Richard C. Williams, the vice-president, secretary and treasurer of Williams Bus, testified at the hearing as to his familiarity with the use of school buses in charter service within the Metropolitan area, and the willingness of Williams Bus to abide by the regulations of the Commission. Testimony was also adduced regarding maintenance, safety, and operations of the company. The witness described in detail the financial status of Williams Bus. In calendar year 1984, the company had a profit, after depreciation allowances, of \$1,076 on an income of \$96,287. Based on the annual report of Yellow Bus, the witness stated that he expected to do more business than Yellow Bus if the transfer were allowed. Mr. Williams based his presumption on the fact that his company would use four or five vehicles for the service as opposed to the one vehicle used by Yellow Bus.

Title II, Article XII, Section 12(b) of the Compact requires a finding by the Commission that a proposed transfer of a certificate of public convenience and necessity is consistent with the public interest. In determining whether this transaction is consistent with the public interest, the Commission considers, among other factors, the fitness of the carrier seeking to obtain the certificate, the fairness of the purchase price, the resulting competitive balance of the industry, whether the operating rights sought to be purchased are dormant and whether the riding public would be benefited by Williams Bus' acquisition of Yellow Bus' Certificate No. 64.

The Commission finds that the proposed transfer is consistent with the public interest. The operating rights to be transferred have not been dormant inasmuch as Yellow Bus has been prepared to offer continuous service. Furthermore, because of Yellow Bus' labor problems and concomitant financial difficulties, the company would be prospectively unable to render adequate service. In this situation, a transfer of Certificate No. 64 to Williams Bus would benefit the public. Williams Bus is able to devote more equipment to the service. Moreover, the financial health of Williams Bus assures continued

service to the riding public. Williams Bus has evidenced a willingness to comply with the Commission's orders, rules and regulations and appears otherwise fit to acquire Certificate No. 64. There is no discernible change in the competitive balance at the present time, since one carrier is simply supplanting another carrier in the field. Additionally, no carrier protests the proposed transfer. Finally, the purchase price appears to be reasonable and should have no undue influence on rates.

THEREFORE, IT IS ORDERED:

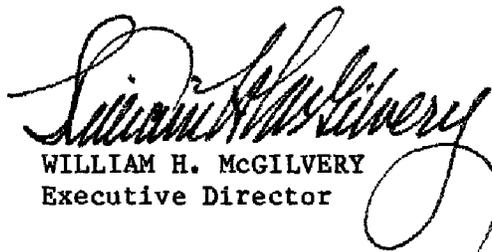
1. That the application of Yellow Bus Lines, Inc., to transfer Certificate No. 64 to Williams Bus Line, Inc., is hereby approved.

2. That Williams Bus Lines, Inc., is hereby directed to file with the Commission within 30 days of the date of service hereof: (a) a notarized statement of compliance with Commission Regulation No. 68 governing identification on motor vehicles; (b) written notice that the transfer transaction has been consummated; (c) a certificate of insurance in compliance with Commission Regulation No. 62; and (d) three copies of its WMATC Tariff No. 1.

3. That upon compliance with the conditions set forth in the preceding paragraph, Certificate of Public Convenience and Necessity No. 64 will be reissued to Williams Bus Lines, Inc.

4. That unless compliance is so made within 30 days from the date of service of this Order, or such additional time as may be authorized by the Commission, the grant of approval herein will stand denied in its entirety effective upon the expiration of the said compliance time.

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

  
WILLIAM H. MCGILVERY  
Executive Director