

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2846

IN THE MATTER OF:

Served April 11, 1986

Investigation of Compliance and)
Order to Show Cause Directed to)
ALEXANDRIA TRANSIT COMPANY,)
Certificate No. 119)

Case No. MP-86-02

The Compact, Title II, Article XII, Section 9(a) mandates that no certificate of public convenience and necessity issued under Section 4 of said Article ". . . shall remain in force unless the person . . . holding such certificate complies with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, [and] qualifications as a self-insurer . . . in such reasonable amount as the Commission may require. . . ." See also Commission Regulation No. 62, as amended by Order No. 2721, served June 19, 1985.

As pertinent to Alexandria Transit Company, that regulation requires minimum liability insurance of \$5 million. Alexandria Transit Company had on file with the Commission a certificate evidencing appropriate insurance in force until March 22, 1986. Prior to that date, on March 3, 1986, the Commission sent Alexandria Transit Company a written reminder that its insurance certificate would expire on March 22. That letter reminded Alexandria Transit Company of the requirement for an unconditional 30-day cancellation clause. The letter also contained the following paragraph:

The law provides that no operating authority shall remain in force unless appropriate evidence of insurance is filed with and approved by the Commission. This means that you must stop operating after the effective date of termination if appropriate evidence of insurance is not filed with and approved by the Commission. This feature of the law is not discretionary; it is automatic.

When no certificate of insurance was timely filed, the Commission wrote Alexandria Transit Company on March 25, 1986. That letter stated the following:

On March 3, 1986, we notified you that your certificate of insurance on file with this Commission would expire on March 22, 1986. You were further advised that your operating authority was automatically invalid unless appropriate evidence of insurance was timely filed and approved.

No evidence of insurance has been filed, and your operating authority has not been in force since March 22, 1986.

If your company is not in compliance with this Commission's insurance requirements within 10 days of the date of this letter, consideration will be given to formal action against your operating authority, including an investigation at your expense.

Please bring your insurance into compliance and spare yourself and us the expense and inconvenience of formal action.

On April 1, 1986, the Commission received a letter from Alexandria Transit Company enclosing a photocopy of an insurance binder which, had it been an executed original, would still have been defective in at least the following particulars: (1) it indicated coverage of specific vehicles, and the vehicles were not specified, (2) it indicated coverage of \$25,000 less than the minimum amount required, and (3) it did not provide for 30 days notice of cancellation to the Commission.

On that same date the Commission received, apparently from Alexandria Transit Company's insurance agent, a certificate of insurance for \$25,000 less than the required minimum, with an unacceptable cancellation clause.

Both the insurance binder and the certificate of insurance indicated that the \$25,000 deficiency was due to self insurance retention of the first \$25,000 per occurrence for bodily injury and property damage combined.

On April 1, 1986, the Commission wrote Alexandria Transit Company explaining why the insurance certificate could not be approved, and pointing out that any carrier desiring to qualify as a self insurer must secure prior approval of the Commission pursuant to Commission Regulation 62-05.

As of this date, nothing further has been filed. Accordingly, Alexandria Transit Company appears to be in violation of the Compact, Title II, Article XII, Section 9(a) and Commission Regulation No. 62. An investigation will be instituted and scheduled for public hearing.

Alexandria Transit Company will be named a party respondent and assessed an amount preliminarily estimated to cover hearing costs pursuant to Title II, Article XII, Section 19 of the Compact. In addition, Certificate of Public Convenience and Necessity No. 119 will be suspended until further order of the Commission. Alexandria Transit Company provides other services in the Metropolitan District which are not within this Commission's jurisdiction, and the suspension effected herein pertains only to charter operations between points in Alexandria, Va., on the one hand, and, on the other, points in the District of Columbia.

THEREFORE, IT IS ORDERED:

1. That the above-captioned proceeding is hereby instituted pursuant to Title II, Article XII, Section 4(g) of the Compact for the purpose of determining whether Certificate of Public Convenience and Necessity No. 119 of Alexandria Transit Company shall be revoked.

2. That Alexandria Transit Company is made a party respondent to this proceeding.

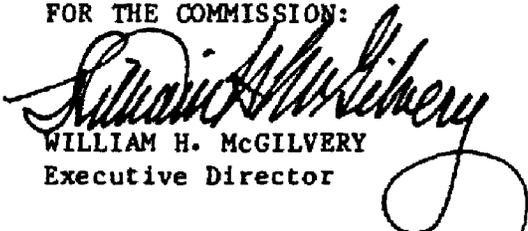
3. That respondent is directed, within 30 days from the date of service hereof, fully to comply with the provisions of the Compact, Title II, Article XII, Section 9(a) and Commission Regulation No. 62, and is further directed within the same 30 days to file with the Commission an appropriate certificate of insurance or such other evidence, in writing and under oath, as it may deem pertinent to show good cause why its Certificate of Public Convenience and Necessity No. 119 should not be revoked.

4. That the above-captioned case is hereby scheduled for public hearing on Tuesday, May 13, 1986, at 9:30 a.m., in Room 314, 1625 I Street, N.W., Washington, D.C. 20006.

5. That respondent is hereby assessed and directed to deliver \$200 to the office of the Commission, 1625 I Street, N.W., Suite 316, Washington, D.C. 20006, no later than Friday, May 2, 1986.

6. That Certificate of Public Convenience and Necessity No. 119 is hereby suspended until further order of the Commission, and Alexandria Transit Company is hereby directed to cease and desist from transportation subject to the Compact until further order of the Commission.

FOR THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

