

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 3016
CORRECTED

IN THE MATTER OF:

Served May 7, 1987

Application of THE AIRPORT)
CONNECTION, INC., to Amend Tariff)

Case No. AP-87-05

On April 1, 1987, The Airport Connection, Inc., ("applicant") filed a proposed Supplement No. 1 to its WMATC Tariff No. 7 to establish per-capita rates for service in sedan-type vehicles operating between Washington National Airport ("National") and Washington Dulles International Airport ("Dulles"), on the one hand, and, on the other, points in the Metropolitan District as authorized by applicant's WMATC Certificate No. 111.

The proposed rates and the proposed new service are described in detail in Order No. 2997, served April 9, 1987, and incorporated herein by reference. That order required applicant to file certain supporting materials concerning the fare proposals, the vehicles to be used in the service, and insurance. On April 24, 1987, the supporting materials not having been filed, the Commission issued Order No. 3005 suspending the proposed tariff supplement effective May 1, 1987. Except for the insurance certificate, the supporting materials were filed on April 27, 1987. An acceptable insurance certificate was filed May 1, 1987, covering seven vehicles and was later supplemented with a revised equipment list bringing insured vehicles to a total of 17.

We are mindful that, in addition to its Certificate No. 111, applicant also has a contract with Metropolitan Washington Airports, the proprietor of National and Dulles. Metropolitan Washington Airports advised the Commission by letter dated April 13, 1987, that it supports this application.

With regard to equipment to be used in providing the new service, applicant filed an equipment list showing 17 vehicles, model year 1985, with Virginia license plates. These vehicles are owned by an affiliate, The Airport Connection Limousine Company, and leased to applicant. A proposed lease covering these same 17 vehicles was filed. Applicant submitted sworn and notarized affidavits that each of these vehicles has passed inspection in the jurisdiction in which it is licensed and that each of these vehicles has been identified in accordance with WMATC Regulation No. 68.

Order No. 2997 also required applicant to submit additional specific justification for the following tariff proposals: (1) that all fares be doubled when a "snow emergency" is declared by the Department of Public Works of the District of Columbia, and (2) a

"holiday surcharge" of \$5 per vehicle -- regardless of the number of occupants -- to be applied on Christmas Day, New Year's Day, Independence Day, and Thanksgiving Day. In response to that requirement, counsel for applicant submitted a statement that both proposals "are warranted because the drivers' compensation is based upon commissions. The surcharge/double-fare provisions will pass through to the drivers. This additional money will act as an incentive to get drivers to work on holidays and during inclement weather. Moreover, inclement weather will reduce the total number of trips a driver can safely perform, thus reducing his pay. The double-fare provision will permit his pay to remain stable while working under adverse conditions."

Snow emergency rates are employed in some jurisdictions to induce taxicab operators who have no service obligation (i.e., may choose not to work) to operate their vehicles when it may be inconvenient to do so. First, this Commission has never approved a double rate for snow service, even in taxicabs. Secondly, this is not a taxicab operation, and applicant has both a franchise and a service obligation. While some years may be worse than others, traffic-impeding snow is relatively infrequent in this area. In this case we consider it a matter of taking the bitter with the sweet. This is not the appropriate context in which to deal with absenteeism and methods of employee compensation.

Further, applicant's rationale seems wholly inapplicable to the proposed \$5 per vehicle surcharge for holidays. Christmas Day, New Year's Day, Independence Day, and Thanksgiving Day could be the four busiest days of the year at these airports. On these days, the proposed service is likely to enjoy the highest load factors and peak revenues. It is not apparent how an additional charge of \$5 per vehicle could be justified. Indeed, these may be the sweets to offset the occasional bitter snow day.

Accordingly, we find the double-fare and holiday surcharges unreasonable in the specific circumstances of this application, and we hereby prescribe the lawful fare to be the same as any other time. Applicant is hereby given an opportunity to submit a new Supplement No. 1 to its WMATC Tariff No. 7 consistent with the one proposed in this case, but eliminating the double-fare and holiday surcharges. The Commission's Executive Director, upon determining that such tariff supplement is consistent with the provisions of this order, shall notify the applicant in writing that it may implement the proposed service between National and the "Hotel District."

Applicant is reminded that its certificate of public convenience and necessity, coupled with tariff approval, impose an affirmative obligation to provide service. Consistent with the foregoing directives, we approve this tariff supplement, with certain modifications, only to the extent that applicant has shown it is

prepared and able to begin service, i.e., between National and Zone N-1, the "Hotel District." The "introductory shared rate" is approved for the first 60 days of operations; thereafter the regular tariff rate shall apply.

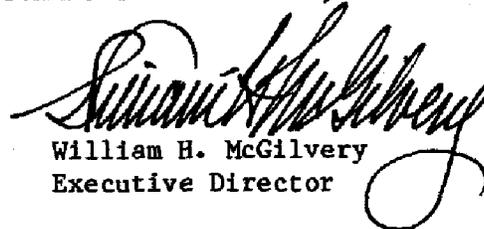
Between the date of service of this order and July 29, 1987, applicant may, on not less than 15 days' notice, file motion(s) to implement the additional services covered by this tariff supplement. Such motion(s) shall be accompanied by the same materials required by ordering paragraphs 2 through 6 of Order No. 2997. No vehicles may be added to any service covered by this tariff supplement unless with respect to such vehicles the applicant has first complied with ordering paragraphs 2 through 6 of Order No. 2997 and received written approval from the Commission's Executive Director to place such vehicles in service. */

To the extent that the Commission has not issued specific approval on or before July 29, 1987, to implement any service proposed in this tariff supplement, the proposed rate for such service is hereby further suspended through August 22, 1987. During this additional suspension period applicant may continue to file motions to implement service as described hereinbefore. To the extent that the Commission has not issued specific approval on or before August 22, 1987, to implement any service proposed in this tariff supplement, the proposed rate for such service is hereby denied without prejudice to the filing of a new tariff.

Within 15 days of the date of this order, applicant is directed to advise the Commission, in writing, of the specific details of any of its scheduled services to be reduced as a result of implementation of this service between National and the "Hotel District." Together with each motion filed to implement additional service under this tariff supplement, applicant shall submit, in writing, the specific details of any reductions of scheduled service to be made as a result thereof.

IT IS SO ORDERED.

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


William H. McGilvery
Executive Director

*/ Although applicant proposes to initiate service between National and the "Hotel District" with 17 vehicles, it has advised the Commission that 70 vehicles were ordered to provide all services under this tariff supplement.