

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 3234

IN THE MATTER OF:

Served September 26, 1988

Application of ON-TIME AMERICAN)
TRANSPORT, INC., to Amend)
Certificate No. 133)

Case No. AP-88-21

By application filed May 31, 1988, On-Time American Transport, Inc. (On-Time or applicant), seeks to amend its WMATC Certificate No. 133 to include transportation of passengers, together with mail, express, and baggage in the same vehicle as passengers, in charter operations between points in the Metropolitan District within a radius of 30 miles from the Capitol building, restricted to transportation in vehicles with a manufacturer's designed seating capacity between 16 and 29 persons (including the driver). 1/

A public hearing was held on July 19, 1988, pursuant to Order No. 3178, served June 14, 1988. One company witness and four public witnesses testified on applicant's behalf. No protests were filed within the time set therefor.

SUMMARY OF EVIDENCE

Mr. Girma Tekleab is On-Time's president/treasurer, and its sole shareholder. Mr. Tekleab has an undergraduate degree in city planning, and has done some graduate work in transportation planning. In addition, he is a licensed sightseeing guide with 10 years experience driving commercially. On-Time holds WMATC Certificate No. 133 which authorizes the following transportation:

IRREGULAR ROUTES:

CHARTER OPERATIONS, transporting passengers, together with mail, express, and baggage in the same vehicle with passengers, between points in the Metropolitan District that lie within a 30-mile radius of the U.S. Capitol.

RESTRICTED to the transportation of passengers in vehicles with a manufacturer's designed seating capacity of 15 passengers

1/ To the extent that this application could be interpreted to include transportation solely within the Commonwealth of Virginia, it was dismissed pursuant to Title II, Article XII, Section 1(b) of the Compact by Order No. 3178.

or less, including the driver, and further restricted against transportation solely within the Commonwealth of Virginia.

On-Time has held WMATC operating authority since September 1987. In addition to providing general charter service, On-Time offers five sightseeing tours within the Metropolitan District. By this application, On-Time seeks amended authority in order to provide similar service using larger vehicles.

Mr. Tekleab testified that On-Time's clients have requested service in larger vehicles. The proposed service would be conducted using one 21-passenger and two 25-passenger mini-buses. Applicant intends to acquire a 29-passenger vehicle in the near future, and is willing to add additional vehicles as required. All vehicles are less than four years old. The 25-passenger vehicles are specially designed for sightseeing, having large windows and an intercom system. Applicant proposes to charge \$37 an hour with a four-hour minimum, additional hours to be billed in half-hour increments. Airport transfer rates of \$74 for Washington National Airport, and \$111 for Washington Dulles International Airport would also be available. Applicant currently operates seven days a week with no restrictions on the hours that it is willing to offer service, although normal hours are 8 a.m. to 12 midnight. The same hours of operation would apply to On-Time's expanded operations. On-Time employs four full-time drivers and one part-time driver, including Mr. Tekleab. Applicant looks for drivers with good driving records, experience driving commercially, knowledge of the city, and sensitivity to their jobs. Mr. Tekleab personally trains the drivers. The vehicles undergo a daily maintenance and safety check. The vehicles are inspected on a weekly basis at a service station where periodic preventive maintenance and repairs are performed.

Applicant submitted a statement of financial condition as of May 30, 1988, showing current assets of \$21,932, fixed assets of \$91,962, and other assets of \$10,678. The statement lists current liabilities of \$12,509, long-term liabilities of \$72,546, and equity of \$39,517. A projected operating statement for the 12 months beginning August 1, 1988, estimates total revenue of \$115,440, and expenses, including depreciation and taxes, of \$97,048, yielding net income of \$18,392. The figures in the projected operating statement show revenues and costs for operations conducted in 16- to 29-passenger vehicles. Applicant also submitted an operating statement for its WMATC operations for the period September 2, 1987, through July 16, 1988, listing total operating revenues of \$113,382, with operating expenses, including depreciation and taxes, of \$106,179, yielding net income of \$7,203. Mr. Tekleab testified that applicant is in compliance with the Compact and the Commission's rules and regulations and plans to continue that compliance.

Ms. Jeanne Fogle testified in support of the application on behalf of A Tour de Force, Washington Insider Tours, and City Sights Tours. A Tour de Force is an agency owned by Ms. Fogle that offers

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lectured historic tours of Washington and the surrounding area. The tours include, inter alia, the U.S. Capitol, Library of Congress, various neighborhoods, and religious structures. Her firm has used the services of a number of unidentified carriers to provide the transportation required for the tours. Ms. Fogle has used applicant's service and has been satisfied. It is her experience that applicant provides very personalized service, arrives ahead of schedule, is responsible and reliable, and offers reasonable prices. If this application were granted, Ms. Fogle would use applicant's proposed service approximately four times a month. Ms. Fogle uses a mini-bus for any group of 12 or larger. Her average tour group ranges from 15 to 21 persons. Ms. Fogle has used the services of carriers who offer transportation in 15- to 29-passenger vehicles but feels that the rates charged by those carriers for vehicles of this size are too expensive. The witness also noted that tourism to the Washington area has increased significantly in recent years and has created a growing demand for transportation services.

Ms. Fogle was also authorized to speak on behalf of Washington Insider Tours and City Sights Tours. Washington Insider Tours transports student groups visiting the Washington area. Washington Insider Tours transports its clients primarily in coaches but often needs transportation in smaller vehicles to accommodate overflow or small classes from private schools. Washington Insider Tours has used applicant's service and expects to use its service an average of 10 times a year with the greater percentage of usage being in applicant's mini-buses. City Sights Tours offers local sightseeing tours to groups visiting the Washington area. The company has used applicant's service and expects to use applicant's mini-bus service four to five times a month if this application is granted. Ms. Fogle testified that A Tour de Force, Washington Insider Tours, and City Sights Tours need charter transportation throughout the Metropolitan District.

Mr. Yasuhiko Seino testified on behalf of ANA Hallo Tours (USA), Inc. (ANA), in support of the application. ANA is a wholly-owned subsidiary of a corporate affiliate of All Nippon Airways. ANA is the in-house travel agency for All Nippon Airways. ANA arranges transportation, hotel accommodations, and sightseeing tours prepackaged by the travel agency. Last year ANA arranged transportation for 6,200 persons, and it anticipates making similar arrangements for 10,000 persons in the coming year. The average size of a group for which Mr. Seino makes transportation arrangements is between 10 and 20. ANA currently uses applicant's service on "almost a daily basis," and has been satisfied. If this application is granted, Mr. Seino estimates that ANA will use On-Time's proposed service several times a week. It requires transportation to points of interest located throughout the Metropolitan District as well as to and from Metropolitan District hotels and airports. 2/

2/ It is noted that after the public hearing in this case, ANA Hallo Tours (USA), Inc., was conditionally granted operating authority to conduct certain charter operations itself. See Order No. 3232, served September 23, 1988, in Case No. AP-88-19.

Mr. William D. Tedder testified in support of the application on behalf of Crystal City Limousine Service, Inc. (CCLS), Alexandria, VA. CCLS provides limousine transportation and arranges transportation for groups needing charter service in larger vehicles. The witness has used applicant's service and was pleased with the equipment, and the quality of service provided. Mr. Tedder has been forced to turn away customers that required a mini-bus because of the shortage of those vehicles in the area. The vehicles that are available are prohibitive in price for his clients. CCLS's (non-limousine) groups average between 20 and 25 persons. The witness prefers a mini-bus over two smaller vehicles to transport groups of this size. Group members prefer to stay together, and a single lecturer assures a uniform presentation. CCLS needs charter service in a 16- to 29-passenger vehicle at least three times a month during the summer and twice a month during the rest of the year. Transportation is required in Prince George's and Montgomery Counties, MD, and Fairfax and Arlington Counties, VA, as well as to and from Washington Dulles International Airport.

Mr. Bernard N. Thompson, owner of Tommy's Limousine, Inc. (TLI), Washington, DC, testified on behalf of TLI in support of the application. TLI operates a limousine service but often requires a larger vehicle. The witness has used applicant's service and found it to be punctual, neat, clean, and reliable. The witness frequently receives calls from people who need service for groups of 22 to 25, and he prefers not to split the groups into smaller units. The witness also prefers to use a mini-bus for groups as small as 12 when the passengers have a substantial amount of luggage. TLI's primary need for transportation consists of airport transfers to and from Washington National Airport and Washington Dulles International Airport. However, he also needs transportation between points in downtown Washington, DC; Reston, VA; and Beltsville in Prince George's County, MD. Mr. Thompson has used the services of other carriers who offer mini-buses but has had difficulty securing all the service needed. The witness has found applicant's service always available. If this application is granted, TLI would use On-Time's charter service in 22-passenger vehicles or larger about once a week.

DISCUSSION AND CONCLUSIONS

In determining whether to grant or expand a certificate of public convenience and necessity, the Commission is governed by Title II, Article XII, Section 4(b) of the Compact which requires that an applicant prove it is fit, willing and able to perform the proposed transportation properly and conform to the provisions of the Compact and the Commission's rules and regulations. Section 4(b) further requires that the applicant prove the proposed service is required by the public convenience and necessity.

Based on a review of the record in this case, we find applicant fit, willing, and able to perform the proposed transportation and to comply with the Compact and the Commission's rules and regulations.

On-Time has been operating pursuant to WMATC authority since September 1987. After repeated requests for service in larger vehicles from its clients, On-Time filed this application. The proposed operations would be conducted in essentially the same manner as current operations. Applicant operates one 15-passenger van, and pursuant to its Regulation 70 authority, two 25-passenger mini-buses. Applicant would add one 21-passenger mini-bus and one 29-passenger vehicle to its fleet if this application is granted. The record establishes that On-Time's vehicles are well-maintained and driven by experienced personnel. The evidence shows adequate financing to sustain the expanded operations. Mr. Tekleab affirmed On-Time's willingness to continue complying with the Compact and Commission rules and regulations.

We further find that the public convenience and necessity require the proposed service. Four members of the public representing six organizations that arrange passenger transportation testified in support of the application. These companies require charter service throughout the Metropolitan District in vehicles seating between 16 and 29 passengers. The testimony of the witnesses shows that there is a public need for the proposed service. All organizations represented have used applicant's service and have been extremely satisfied with the quality of the service offered. The witnesses testified regarding difficulties they have encountered in securing transportation in mini-buses within the Metropolitan District. The proposed service will support a useful public purpose for which there is a demonstrated need. Inasmuch as no protests were filed, it is inferred that the proposed service will not endanger or impair the operations of existing carriers contrary to the public interest.

THEREFORE, IT IS ORDERED:

1. That On-Time American Transport, Inc., is hereby conditionally granted expanded authority contingent upon timely compliance with the terms of this order, to transport passengers together with mail, express, and baggage in the same vehicle as passengers in charter operations between points in the Metropolitan District within a radius of 30 miles of the Capitol Building, restricted to transportation in vehicles with a manufacturer's designed seating capacity between 16 and 29 persons (including the driver), and further restricted against transportation solely within the Commonwealth of Virginia.

2. That On-Time American Transport, Inc., is hereby directed to file with the Commission (a) two copies of its WMATC Tariff No. 3 as proposed in its application; (b) an equipment list specifying make, year, model, serial number, seating capacity, license plate number, and jurisdiction for all newly acquired vehicles to be used in WMATC operations; (c) an affidavit of identification pursuant to Regulation No. 67 for all vehicles that have not been previously identified; and (d) evidence of ownership of all vehicles to be used in WMATC operations or leases pursuant to Commission Regulation No. 69.

3. That unless On-Time American Transport, Inc., complies with the requirements of the preceding paragraph within 30 days from the service date of this order, or such additional time as the Commission may direct or allow, the grant of authority contained herein shall be void, and the application shall stand denied in its entirety, effective upon the expiration of the said compliance time.

4. That upon timely compliance with the requirements of this order, On-Time American Transport, Inc., will be issued a revised certificate of public convenience and necessity in the form contained in the Appendix to this order.

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


William H. McGilvery
Executive Director

NO. 133

ON-TIME AMERICAN TRANSPORT, INC.

ARLINGTON, VIRGINIA

By Order Nos. 3044 and 3234 of the Washington Metropolitan Area Transit Commission issued July 2, 1987, and September 26, 1988;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District as a carrier, for the reasons and subject to the limitations set forth in Order Nos. 3044 and 3234;

THEREFORE, IT IS ORDERED that the said carrier is hereby granted this certificate of public convenience and necessity as evidence of the authority of the holder thereof to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions, and limitations as are now, or may hereafter be, attached to the exercise of the privilege herein granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

IRREGULAR ROUTES:

CHARTER OPERATIONS, transporting passengers, together with mail, express, and baggage in the same vehicle with passengers, between points in the Metropolitan District that lie within a 30-mile radius of the U.S. Capitol.

RESTRICTED to the transportation of passengers in vehicles with a manufacturer's designed seating capacity of 29 persons or less (including the driver) and further restricted against transportation solely within the Commonwealth of Virginia.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous, and adequate service to the public in pursuance of the authority granted herein, and that failure to do so shall constitute sufficient grounds for suspension, change, or revocation of the certificate.