

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 4606

IN THE MATTER OF:

Served May 31, 1995

Application of A. C. LIMOUSINE)
SERVICE, INC., for a Certificate)
of Authority -- Irregular Route)
Operations)

Case No. AP-95-23

By application filed April 11, 1995, A. C. Limousine Service, Inc., a Maryland corporation, seeks a certificate of authority to transport passengers, together with baggage in the same vehicles as passengers, in irregular route operations between points in the Metropolitan District, restricted to transportation in vehicles with a manufacturer's designed seating capacity of 15 or fewer persons, including the driver.

Notice of this application was served on April 17, 1995, in Order No. 4576, and applicant was directed to publish further notice in a newspaper and file an affidavit of publication. Applicant complied. The application is unopposed.

SUMMARY OF EVIDENCE

The application includes information regarding, among other things, applicant's corporate status, facilities, proposed tariff, finances, and regulatory compliance record.

Applicant currently provides service under authority issued by the Maryland Public Service Commission (MDPSC). Applicant proposes commencing WMATC operations with six vehicles -- sedans and limousines -- none of which seats more than ten passengers. Applicant's proposed tariff contains hourly rates and airport transfer rates.

Applicant filed a balance sheet as of December 31, 1994, showing assets of \$99,861; liabilities of \$117,313;¹ and negative equity of \$17,452. Applicant's operating statement for the year ended December 31, 1994, shows net revenue of \$316,323; costs and expenses of \$320,912; and a net loss of \$4,589. Applicant's projected operating statement for the twelve months ending October 31, 1995, shows revenue of \$589,025; expenses of \$467,166; and net income of \$121,859.

Applicant certifies it has access to, is familiar with, and will comply with the Compact, the Commission's rules and regulations, and United States Department of Transportation regulations relating to transportation of passengers for hire. Applicant further certifies

¹ Applicant's liabilities include a \$7,300 loan payable to stockholders.

that neither applicant nor any person controlling, controlled by, or under common control with applicant has any control relationship with a carrier other than applicant.

DISCUSSION AND CONCLUSION

This case is governed by the Compact, Title II, Article XI, Section 7(a), which provides in relevant part that:

. . . the Commission shall issue a certificate to any qualified applicant . . . if it finds that --
(i) the applicant is fit, willing, and able to perform [the] transportation properly; conform to the provisions of this Act, and conform to the rules, regulations, and requirements of the Commission; and
(ii) that the transportation is consistent with the public interest.

To meet the Commission's test for financial fitness, an applicant must show the present ability to sustain operations during its first year under WMATC authority.² Although this applicant's negative equity position raises an issue with respect to financial fitness, we have found similarly situated applicants financially fit in the past.³ As to security for the protection of the public, applicant's certificate of insurance is already on file with the Commission.

Based on the evidence in this record, the Commission finds applicant to be fit, willing, and able to perform the proposed transportation properly and to conform with applicable regulatory requirements. The Commission further finds that the proposed transportation is consistent with the public interest.

THEREFORE, IT IS ORDERED:

1. That A. C. Limousine Service, Inc., 8855 Annapolis Road, #301, Lanham, MD 20706, is hereby conditionally granted, contingent upon timely compliance with the requirements of this order, authority to transport passengers, together with baggage in the same vehicles as passengers, in irregular route operations between points in the Metropolitan District, restricted to transportation in vehicles with a

² In re WDC Sightseeing Tours, Inc., AP-92-33, Order No. 4036 (Jan 12, 1993).

³ See In re S&W Bus Serv., Inc., No. AP-93-15, Order No. 4103 (May 18, 1993) (applicant with high debt-equity ratio found financially fit where most debt held by shareholders; applicant going concern under MDPSC and ICC authority; and net income projected for first year of WMATC operations); In re Clyde's Charter Bus Serv., Inc., dba Gunther Charters, No. AP-92-13, Order No. 3979 (July 23, 1992) (applicant found financially fit despite negative equity position and projected net loss where applicant was established carrier with ICC and MDPSC authority, and depreciation expense on large number of new buses contributed to net loss projection).

manufacturer's designed seating capacity of 15 or fewer persons, including the driver.

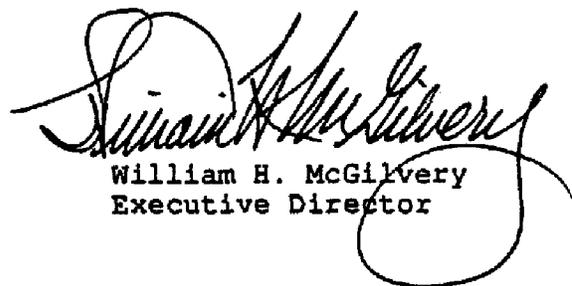
2. That applicant is hereby directed to file the following documents with the Commission: (a) an original and four copies of a tariff or tariffs in accordance with Commission Regulation No. 55; (b) an equipment list stating the year, make, model, serial number, vehicle number, license plate number (with jurisdiction) and seating capacity of each vehicle to be used in revenue operations; (c) evidence of ownership or a lease as required by Commission Regulation No. 62 for each vehicle to be used in revenue operations; (d) proof of current safety inspection of said vehicle(s) by or on behalf of the United States Department of Transportation, the State of Maryland, the District of Columbia, or the Commonwealth of Virginia; and (e) a notarized affidavit of identification of vehicles pursuant to Commission Regulation No. 61, for which purpose WMATC No. 308 is hereby assigned.

3. That upon timely compliance with the requirements of the preceding paragraph and acceptance of the documents required by the Commission, Certificate of Authority No. 308 shall be issued to applicant.

4. That applicant may not transport passengers for hire between points in the Metropolitan District pursuant to this order unless and until a certificate of authority has been issued in accordance with the preceding paragraph.

5. That unless applicant complies with the requirements of this order within 30 days from the date of its issuance, or such additional time as the Commission may direct or allow, the grant of authority herein shall be void and the application shall stand denied in its entirety effective upon the expiration of said compliance time.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS ALEXANDER, LIGON, AND SHANNON:



William H. McGilvery
Executive Director

