

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 5434

IN THE MATTER OF:

Served October 19, 1998

Application of SALWA SEEDAHMED,)
Trading as CONTROL)
TRANSPORTATION, for a)
Certificate of Authority --)
Irregular Route Operations)

Case No. AP-98-28

Applicant seeks a certificate of authority to transport passengers in irregular route operations between points in the Metropolitan District, restricted to transportation in vehicles with a seating capacity of less than 16 persons only, including the driver. The application is unopposed.

The Compact, Title II, Article XI, Section 7(a), authorizes the Commission to issue a certificate of authority if it finds that the proposed transportation is consistent with the public interest and that the applicant is fit, willing, and able to perform the proposed transportation properly, conform to the provisions of the Compact, and conform to the rules, regulations, and requirements of the Commission.

An applicant bears the burden of establishing financial fitness, operational fitness, and regulatory compliance fitness.¹ We find that this applicant has not carried her burden on the issue of financial fitness.

Applicant proposed acquiring one 1995 wheelchair van for use in operations under the DC Medicaid program. Applicant estimates her first year insurance premium at \$4,000.

Applicant has filed two statements of net worth. The first was filed on June 19, 1998, and shows \$10,000 in cash and a loan payable of \$5,000, for a net worth of \$5,000. An amended statement of net worth was filed July 10, 1998, and shows \$12,000 in cash, \$6,500 in personal property and a loan payable of \$5,000, for a net worth of \$13,500. Neither statement is dated.

The statement of net worth must reflect all of an applicant's assets and all of an applicant's liabilities. In the case of a sole proprietor, this includes personal assets and liabilities, as well as business assets and liabilities. A statement listing fewer than all of an applicant's assets and liabilities presents an incomplete picture of that applicant's financial condition. Furthermore, an applicant's statement of net worth must be based on actual historical values as of a date certain, not an estimate of approximate holdings at some indeterminate time. The meager detail and nice round sums in the two statements accompanying this application give them the

¹ Marylou's Janitorial Serv., Inc., t/a Marylou's Transp. Serv.,
No. AP-96-23, Order No. 4874 (June 20, 1996).

appearance of incomplete estimates of applicant's financial position (presumably as of the date they were filed) and are, therefore, insufficient to sustain applicant's burden on this issue.

Even if we were to accept applicant's amended statement of net worth as evidence of her financial fitness, we could not grant the application of such a thinly capitalized carrier. Subtracting the \$5,000 loan payable and \$4,000 insurance premium from the \$12,000 cash leaves applicant \$3,000 in working capital to cover the remainder of her startup costs, including the cost of acquiring a relatively new wheelchair van.² Without some evidence that it is possible to acquire such a vehicle, cover remaining startup costs and maintain an adequate reserve for contingencies with only \$3,000, we would still conclude that applicant has failed to demonstrate financial fitness.

THEREFORE, IT IS ORDERED that the application of Salwa Seedahmed, trading as Control Transportation, for a certificate of authority, irregular route operations, is hereby denied without prejudice.

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

William H. McGilvery
Executive Director

² This worst-case scenario assumes the loan payable is due on demand. Applicant's failure to indicate when the loan becomes due and our duty to protect a particularly vulnerable segment of the riding public -- passengers in wheelchairs -- require that we take a conservative perspective. See Old Town Trolley Tours of Washington, Inc. v. WMATC, 129 F.3d 201, 203 (D.C. Cir. 1997) (fitness inquiry one of "those controls necessary for the security of the public") (quoting Granting the Consent of Congress to Amendments to the Washington Metropolitan Area Transit Regulation Compact: Hearing on H.J. Res. 520 Before the Subcomm. On Admin. Law and Governmental Relations of the House Comm. on the Judiciary, 101st Cong. 35 (1990) (statement of Carlton R. Sickles, Chairman, WMATRC Review Committee)).