

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 945

IN THE MATTER OF:

Served May 14, 1969

School Fare Subsidy Certification )  
to the Commissioner of the District )  
of Columbia for Fiscal Period Ending )  
August 31, 1968 -- WMA Transit )  
Company. )

Under Public Law 87-507, approved June 28, 1962, the Washington Metropolitan Area Transit Commission is charged with the duty of certifying to the Commissioner of the District of Columbia data pertaining to the income from mass transportation operations in the District of Columbia of any common carrier required to furnish transportation to schoolchildren at a reduced fare by Act of Congress of August 9, 1955.

WMA Transit Company, 4421 Southern Avenue, S. E., Washington, D. C., 20019, furnishes transportation which comes within the purview of Public Law 87-507.

The Law specifies that the fiscal period shall be for the twelve months ended on August 31, and that the "net operating income" shall pertain to "mass transportation operations in the District of Columbia." Accordingly, this Commission has prepared an Operating Statement for WMA Transit for the twelve months ended August 31, 1968, based on an audit by the Commission's accounting staff of the books and records of the Company.

After determining that WMA's net operating income for the fiscal year ending August 31, 1968, amounted to \$242,968.84, allocation was made between "mass transportation operations in the District of Columbia" and all other operations of the Company, using formulas based on relative miles and hours operated, and passengers carried.

As a result of these allocations, it was determined that WMA Transit's "mass transportation operations in the District of Columbia" for the fiscal year ending August 31, 1968, resulted in a net operating

loss of \$85,130.13. It is to be noted that the procedures and allocations described above were utilized only in order to give effect to the specific circumscriptions of Public Law 87-507.

The Audited Operating Statement of WMA Transit Company for the twelve months ended August 31, 1968, and schedules showing development of the allocation factors, are appended to this Order.

Certification to the Commissioner  
of the District of Columbia

Based on the findings set forth herein, the Washington Metropolitan Area Transit Commission hereby certifies to the Commissioner of the District of Columbia, with respect to WMA Transit Company, for the twelve months ended August 31, 1968, as follows:

- |    |    |   |              |
|----|----|---|--------------|
| 1. | a. | Total of all reduced fares paid to WMA Transit by schoolchildren in accordance with Act of Congress (185,782 fares at 10 cents)   | \$18,578.20  |
|    | b. | Amount which would have been paid if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation (185,782 fares at 25 cents)                   | \$46,445.50  |
|    | c. | Difference (185,782 fares at 15 cents)  | \$27,867.30  |
| 2. | a. | Gross operating revenues of WMA Transit for the twelve months ended August 31, 1968, applicable to mass transportation operations in the District of Columbia, exclusive of any school fare subsidy | \$335,853.89 |
|    | b. | Rate of return established by the regulatory commission having jurisdiction in carrier's last rate case prior to August 31, 1968 (WMATC Order No. 312, issued September 20, 1963)                   | 2.23%        |
|    | c. | Indicated return allowable  | \$7,489.54   |

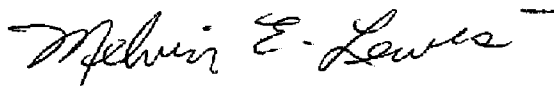
d. Net operating income or (loss) from mass transportation operations in the District of Columbia for the twelve months ended August 31, 1968, after giving effect to tax exemptions, and exclusive of any school fare subsidy \$ (85,130.13)

e. Deficiency \$92,619.67

3. Subsidy for which WMA Transit Company is eligible: \$27,867.30

Maximum (l.c.)	\$27,867.30
Limitation imposed by 2.e.	\$92,619.67
Certified herein	\$27,867.30

FOR THE COMMISSION



MELVIN E. LEWIS  
Executive Director

WMA TRANSIT COMPANY  
 OPERATING STATEMENT FOR FISCAL YEAR ENDED AUGUST 31, 1968  
 AND ALLOCATIONS TO DETERMINE NET OPERATING INCOME  
 FROM MASS TRANSPORTATION OPERATIONS IN THE DISTRICT OF COLUMBIA

	<u>Total Company Operations Per WMATC Audit</u>	<u>Method of Allocation to Mass Transportation Operations</u>	<u>Allocation to Mass Transit Operations</u>	<u>Method of Allocating Mass Transportation Operations to D. C.</u>
<u>Operating Revenues</u>				
Regular Route Revenues	\$2,277,980.32	Direct	\$2,277,980.32	Direct
Charter Bus Revenues	747,058.81	Direct	-0-	Direct
Other Operating Revenues	<u>13,859.63</u>	Direct (R)	<u>9,050.78</u>	(R)
Total Operating Revenues	\$3,038,898.76		\$2,287,031.10	
<u>Operating Revenue Deductions</u>				
Equipment Maintenance and Garage Expense:				
Repairs - Revenue Equipment	163,161.36	(M)	135,472.88	(M-P)
Tires and Tubes	51,714.93	(M)	42,938.91	(M-P)
All Other	171,522.93	(M)	142,415.48	(RRP)
Transportation Expense:				
Supervision - Transportation	111,101.33	(H)	89,158.82	(RRP)
Drivers' Wages and Bonuses	920,878.91	Direct (H)	728,797.53	(T-P)
Fuel and Oil - Revenue Equipment	130,803.70	(M)	108,606.32	(M-T)
Road Expense	126.95	(M)	105.41	(RRP)
Other Transportation Expense	24,053.25	Direct	7,915.60	(RRP)
Traffic, Solicitation and Advertising Expense	36,975.90	Direct	9,331.57	(RRP)
Insurance and Safety Expense:				
Public Liability Insurance	123,715.85	(TSP)	107,348.24	(RRP)
Property Damage Insurance	38,125.49	(M)	31,655.59	(M-P)
All Other	63,343.09	(H)	50,832.83	(RRP)
Administrative and General Expense:				
Employee Welfare Expense	6,274.51	(H)	5,035.29	(T-P)
All Other	<u>243,308.80</u>	(H)	<u>197,907.53</u>	(RRP)
Total Operating and Maintenance Expenses	\$2,085,107.00		\$1,657,522.00	

	Total Company Operations Per WMATC Audit	Method of Allocation to Mass Transportation Operations	Allocation to Mass Transit Operations	Method of Allocating Mass Transportation Operations to D. C.
<u>Depreciation Expense</u>				
Buses	\$ 239,408.15	(H)	\$ 192,125.04	(RRP)
All Other	<u>63,476.39</u>	(H)	<u>50,939.80</u>	(RRP)
Total Depreciation Expense	\$ 302,884.54		\$ 243,064.84	
<u>Operating Taxes</u>				
Federal and State Gas and Oil Tax	97,266.95	(M)	80,760.75	(M-T)
Vehicle Tags	29,809.59	(H)	23,922.20	(RRP)
Tire and Tube Taxes	6,812.66	(M)	5,656.55	(M-P)
Payroll Taxes	62,652.21	(H)	50,278.40	(T-P)
All Other Taxes	<u>27,012.79</u>	(H)	<u>21,677.76</u>	(RRP)
Total Taxes	\$ 223,554.20		\$ 182,295.66	
<u>Operating Rents</u>				
Equipment Rents	69,417.60	(M)	57,637.43	(RRP)
Other Operating Rents	<u>111,581.25</u>	(M)	<u>92,645.91</u>	(RRP)
Total Operating Rents	\$ 180,998.85		\$ 150,283.34	
Total Operating Revenue Deductions	<u>\$2,792,544.59</u>		<u>\$2,233,165.84</u>	
Net Operating Revenue before Provision for Income Taxes	\$ 246,354.17		\$ 53,865.26	
Provision for Income Taxes	<u>3,385.33</u>	Note A	<u>740.20</u>	Note A
Net Operating Income (Loss)	<u>\$ 242,968.84</u>		<u>\$ 53,125.06</u>	

## Code for Methods of Allocation:

(R)	Revenue	(M-T)	Average of (M-P) and (T-P)
(RRP)	Regular Route Passengers	(M)	Mileage
(M-P)	Mileage and Passengers	(H)	Drivers' Hours
(T-P)	Time and Passengers	(TSP)	Total System Passengers

## Note A:

Income tax is allocated by tax rate to each segment

WMA TRANSIT COMPANY  
DETERMINATION OF ALLOCATION FACTORS  
FOR THE FISCAL YEAR ENDING AUGUST 31, 1968

BASES

FACTORS

(R)	<u>Revenue</u>			
	Regular Route Revenue:			
	D. C. Local	\$ 334,524.52		11.06%
	Maryland and Interstate	1,943,455.80		64.24%
	Charter and Sightseeing	<u>747,058.81</u>		<u>24.70%</u>
	Total Regular Route Revenue	\$3,025,039.13		<u>100.00%</u>
	Other Operating Revenues	<u>13,859.63</u>		
	Total Revenue	<u>\$3,038,898.76</u>		
(RRP)	<u>Regular Route Passengers</u>			
(TSP)	<u>Total System Passengers</u>			
		<u>Passengers</u>		
		<u>Carried During</u>		
		<u>Fiscal Year</u>		
	(a) D. C. Local	1,597,192		
	(b) Interstate - Local	1,191,579		
	(c) Interstate Express	2,201,300		
	(d) Maryland Local	986,965		
	(e) Charter	<u>911,536</u>		
	Total System Passengers	<u>6,888,572</u>		
			(RRP)	(TSP)
	Passengers Assigned to D. C. (a)	1,597,192	26.72%	23.19% (a)
	Passengers Assigned to Other Than D. C. (b+c+d)	4,379,844	73.28%	63.58% (b)
	Passengers Assigned to Charter (e)	911,536	---	<u>13.23% (c)</u>
			<u>100.00%</u>	<u>100.00%</u>
(M-P)	<u>Mileage-Passengers</u>			
	Regular Route Miles In:			
	D. C. (3,942,436 x 19.30%)	760,890		19.30% (d)
	Md. (3,942,436 x 80.70%)	<u>3,181,546</u>		<u>80.70% (e)</u>
	Total Regular Route Miles	<u>3,942,436</u>		<u>100.00%</u>
	System Miles In:			
	D. C. Regular Route Miles	760,890		16.02% (f)
	Md. Regular Route Miles	3,181,546		67.01% (g)
	Charter Miles	<u>805,637</u>		<u>16.97% (h)</u>
	Total System Miles	<u>4,748,073</u>		<u>100.00%</u>
	Passengers Riding in D. C. - Local	1,597,192		57.27% (i)
	Passengers Riding in D. C. - Interstate	<u>1,191,579</u>		<u>42.73% (j)</u>
	Total D. C. and D. C. Interstate Passengers	<u>2,788,771</u>		<u>100.00%</u>