

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 11,767

IN THE MATTER OF:

Served December 22, 2008

Investigation of Prescription of an )  
Interstate Taxicab Fuel Surcharge )  
for WASHINGTON FLYER Taxicabs )

Case No. MP-2008-169

This proceeding is being reopened pursuant to Commission Rule No. 26-04, which provides: "If, after the hearing in a proceeding, the Commission shall have reason to believe that conditions of fact or of law have so changed as to require, or that the public interest requires, the reopening of such proceeding, the Commission will issue an order reopening."<sup>1</sup>

Under Title II of the Compact, Article XI, Section 18(a), the Commission is charged with prescribing "reasonable rates" for interstate taxicab trips between a point in one signatory and a point in another signatory where both points are within the Metropolitan District.

Pursuant to this authority, the Commission prescribed a fuel surcharge in Order No. 11,561 on September 5, 2008, for interstate taxicab trips in Washington Flyer taxicabs operating out of Washington Dulles International Airport. The surcharge was set at \$2.50 per trip based on the increase in average fuel prices in the Washington Metropolitan Area since November 2005, which was the base period for setting the current Washington Flyer meter rate. Order No. 11,561 noted that the average price of regular gasoline in the Washington Metropolitan Area had risen from \$2.26 per gallon in November 2005 to \$3.61 per gallon in August 2008. The order stated that the surcharge would take effect September 12, 2008, and remain in effect until March 11, 2009. The order also stipulated that if gasoline prices increased or remained nearly constant as the 180 day period drew to a close, the Commission would be willing to consider extending or modifying the surcharge.

Since the order was issued, however, the average price of regular gasoline in the Washington Metropolitan Area has plummeted. According to the American Automobile Association, the average price of regular gasoline in the metropolitan area was \$1.67 as of December 19, 2008 - nearly sixty cents per gallon less than the 2005 base price. The Commission has received complaints from Washington Flyer customers questioning the fairness of paying a fuel surcharge given the

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<sup>1</sup> See *In re Interstate Taxicab Charges*, No. MP-04-117, Order No. 8327 (Oct. 8, 2004) (reopening incidental taxicab charge proceeding).

precipitous drop in fuel prices. Under Article XI, Section 18(a), the question is whether the fuel surcharge remains a reasonable rate.

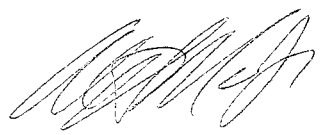
Inasmuch as the sole basis for prescribing the current fuel surcharge was that the average price of regular gasoline in the metropolitan area had greatly increased since the 2005 base period, we cannot say that the surcharge is reasonable today now that the average price of regular gasoline in the metropolitan area has fallen below the base period price. Accordingly, we shall terminate the fuel surcharge for Washington Flyer taxicabs effective January 4, 2009.

We take this action without first seeking comment on the ground that it is not in the public interest to require payment of a fuel surcharge that can no longer be sustained on the sole ground that supported its adoption.<sup>2</sup> Washington Flyer taxicab drivers may be entitled to a rate increase due to an increase in the cost of doing business since the 2005 base period, but not on the ground that the current \$1.67 average price of regular gasoline in the metropolitan area exceeds the \$2.26 base period price.

THEREFORE, IT IS ORDERED:

1. That the fuel surcharge prescribed in Order No. 11,561 shall terminate at 4:00 a.m., January 4, 2009.
2. That the fuel surcharge notice prescribed in Order No. 11,561 for display in Washington Flyer taxicabs shall be removed from all Washington Flyer taxicabs no later than 4:00 a.m., January 4, 2009.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, CHRISTIE AND BRENNER:



William S. Morrow, Jr.  
Executive Director

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<sup>2</sup> See *In re Fuel Surcharge on Interstate Taxicab Rates*, No. MP-90-18, Order No. 3629 (Mar. 15, 1991) (terminating 1-year fuel surcharge without opportunity for comment based on drop in fuel prices).