

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1307

IN THE MATTER OF:

Application of ATWOOD'S TRANS-) Served March 5, 1974
PORT LINES, INC., for Authority)
to Increase Fares) Application No. 825
)
) Docket No. 258

On January 29, 1974, Atwood's Transport Lines, Inc. (Atwood), filed a proposed tariff which would cancel its current tariff 1/ and, effective March 25, 1974, increase the rates to be applied to charter coach movements performed pursuant to that portion of Certificate of Public Convenience and Necessity No. 14, which authorizes, in part, charter operations, over irregular routes, round-trip or one-way, (1) from Washington, D. C., to points in the Metropolitan District and (2) from points on its regular routes, as authorized therein, and a territory within one mile thereof, to points in the Metropolitan District.

The proposed tariff would increase the rates for regular charter and charter sightseeing service. In addition, the proposed tariff would increase the fare charged for bus service over the regular route authority of Atwood between Washington, D. C. and Silver Hill, Md.

Analysis of the tariff changes are shown in tables listing the current rates, proposed rates, dollar amount of increase, and

1/ The proposed tariff filed by Atwood bears the heading "WMATC Tariff No. 17 cancels WMATC Tariff No. 16". This heading is an apparent typographical error because Atwood's current tariff is WMATC Tariff No. 17. The correct heading should appear as WMATC Tariff No. 18 cancels WMATC Tariff No. 17. See Regulation No.55-04.

percentage increase for the various services provided by Atwood pursuant to its certificate. The tables illustrate that Atwood's proposed tariff would increase rates by percentages ranging between a low of 6.0 percent and a high of 11.1 percent, as follows:

TABLE I

CHARTER (REGULAR)
HOURLY RATE

<u>Vehicle Capacity</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
38	\$12.50	\$13.50	\$ 1.00	8
41	\$12.50	\$13.50	\$ 1.00	8
45	\$12.50	\$13.50	\$ 1.00	8
47	\$13.50	\$15.00	\$ 1.50	11.1
49	\$13.50	-	-	-

NOTE: Round trips of 100 miles or less are based on hourly charge with a minimum charge of four hours.

TABLE II

CHARTER (REGULAR)
MILEAGE RATE

<u>Vehicle Capacity</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
38	\$.75	\$0.82	\$0.07	9.3
41	\$.70	\$0.75	\$0.05	7.1
45	\$.75	\$0.80	\$0.05	6.7
47	\$.83	\$0.88	\$0.05	6.0
49	\$.78	-	-	-

NOTE: Rates are assessed on the basis of both revenue and dead-head mileage. The rates in the table are per revenue mile. The current rate per deadhead mile of \$0.45 would not be changed.

TABLE III

CHARTER (SIGHTSEEING)
HOURLY RATE

<u>Vehicle Capacity</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
38-41	\$16.50	\$17.50	\$1.00	6.1
45	\$16.50	\$18.00	\$1.50	9.1
47	\$17.50	\$19.00	\$1.50	8.6
49	\$17.50	-	-	-

NOTE: Minimum charge is four hours.

As part of its application, Atwood submitted comparative income statements for the 11 months ending November 30, 1972, and November 30, 1973, and a balance sheet statement as of November 30, 1973. Atwood's total operating revenue for the 11 months ending November 30, 1972 was \$1,256,921 and for the same period of 1973 was \$1,491,496. These figures indicate that the revenues increased by 18.7 percent. For the same periods, Atwood's total operating expenses were \$1,060,889 and \$1,258,222, respectively, or an increase of 18.6 percent. The net income after taxes was \$88,758 for the 11 months ending November 30, 1972, and \$107,727 for the same period of 1973. Atwood's return on the total operating revenues was 7.1 percent for the 11 months ending November 30, 1972 and 7.2 percent for the same period of 1973.

Atwood submits that the proposed rates are justified. It contends that the proposed tariff would result in approximately a 7 percent increase in the fares to be charged. The proposed 7 percent increase was designed to offset a 7 percent increase in operating costs. This increase in operating costs was allegedly a result of (a) an increase by 100 percent in fuel costs which increased the overall operating costs by 2.5 percent, (b) an increase by 8 percent in labor costs which increased the overall operating cost by 3.0 percent, and (c) an increase in other costs which increased the overall operating costs by 1.5 percent.

In the exercise of the power to prescribe just and reasonable fares and regulations and practices relating thereto, the Commission gives due consideration, among other factors, to the need, in the public interest, of adequate and efficient transportation service

by a carrier at the lowest cost consistent with the furnishing of such service and to the need of revenues sufficient to enable the carrier, under honest, economical, and efficient management, to provide such service. See Compact, Title II, Article XII, Section 6(a)(3). The proposed tariff would significantly increase the rates to be applied by Atwood when providing various transportation services to the public. The primary support offered by Atwood for the rate increase is the alleged increase in the cost of performing the services. A comparison of Atwood's transportation expenses and equipment maintenance and garage expenses for the 11 months ending November 30, 1972 compared to the same period of 1973, reveals that the operating expenses increased by 18.1 percent and 12.3 percent, respectively. These increases are less than the percent increase in the total operating revenue.

The Commission is required to consider, among other things, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently when deciding whether a proposed tariff should be suspended. See Compact, Title II, Article XII, Section 6(a)(1). The Commission is unable to determine whether the individual cost items grouped under the general heading of transportation expense or equipment maintenance and garage expense have increased by the amounts stated by Atwood. Likewise, the pleading does not support the finding that the higher level of expense is a result of the increase in the size of the operation performed. Nor does it indicate that the alleged increases in the several expense items have caused an increase in the overall operating costs. Accordingly, the Commission finds that the record as submitted does not justify the increased rates proposed to be effective March 25, 1974. Under the provisions of Article XII, Section 6(a)(1) of the Compact, the Commission shall suspend Atwood's proposed tariff and schedule a hearing in order to develop an appropriate record upon which to determine, among other things, whether the proposed rates are just, reasonable and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District.

The Commission requires Atwood to submit and be prepared to support with competent witnesses exhibits, depicting the following:

(A) The cost per gallon of fuel for each of the months of 1973 and for that portion of 1974 for which the information is available.

(B) The labor costs, including the number of employees, for each of the months of 1973.

(C) A projected statement of net earnings after all taxes, for the year 1974 under the existing tariff, together with supporting details, including operating ratio.

(D) A projected statement of net earnings, after all taxes, for the year 1974 under the proposed tariff, together with supporting details, including operating ratio.

In order that the Commission and any other person who may desire to be heard on the proposed tariff will have an opportunity to be aware of the evidence that Atwood intends to submit to justify the proposed tariff, the Commission requires that all direct evidence be submitted in the form of prepared testimony and supporting exhibits on or before Monday, March 18, 1974, in such manner that six (6) copies shall be filed with the Commission and one copy served on each party of record.

THEREFORE, IT IS ORDERED:

1. That Atwood's Transport Lines, Inc., proposed tariff filed January 29, 1974, be, and it is hereby, suspended effective March 25, 1974, for a period of 90 days, through Sunday, June 23, 1974, unless otherwise ordered.

2. That Application No. 825 of Atwood's Transport Lines, Inc., be, and it is hereby, scheduled for public hearing to commence Thursday, March 21, 1974, at 10:00 a.m., in the Hearing Room of the Commission, Room 314, 1625 Eye Street, N. W., Washington, D. C. 20006.

3. That applicant post notice in the form prescribed by the staff of the Commission of this application and hearing in all of its vehicles no later than Monday, March 11, 1974.

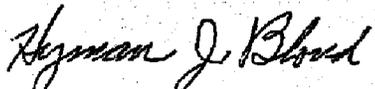
4. That applicant publish, in the form prescribed by the staff of the Commission, notice of this application and hearing in a newspaper of general circulation in the Metropolitan District no later than Monday, March 11, 1974.

5. That the evidence on behalf of Atwood's Transport Lines, Inc., shall be submitted on or before Monday, March 18, 1974, in

such manner that six (6) copies shall be filed with the Commission and one copy served on each party of record.

6. That any person desiring to be heard on this matter shall notify the Commission, in writing, on or before Friday, March 15, 1974, and mail a copy of such notification to Atwood's Transport Lines, Inc., 5500 Tuxedo Road, Tuxedo, Md., 20781.

BY DIRECTION OF THE COMMISSION:



HYMAN J. BLOND
Executive Director