

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 19,689

IN THE MATTER OF:

Served February 9, 2022

Application of TREMMAS INC for a)
Certificate of Authority --)
Irregular Route Operations)

Case No. AP-2021-145

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. If an applicant does not make the required showing, the application must be denied under Section 7(b).

An applicant for a certificate of authority must establish financial fitness, operational fitness, and regulatory compliance fitness.¹ A determination of compliance fitness is prospective in nature.² The purpose of the inquiry is to protect the public from those whose conduct demonstrates an unwillingness to operate in accordance with regulatory requirements.³ Past violations do not necessarily preclude a grant of authority but permit the inference that violations will continue.⁴

Applicant verifies that: (1) applicant owns or leases, or has the means to acquire through ownership or lease, one or more motor vehicles meeting the Commission's safety requirements and suitable for the transportation proposed in this application; (2) applicant owns, or has the means to acquire, a motor vehicle liability insurance policy that provides the minimum amount of coverage required by Commission regulations; and (3) applicant has access to, is familiar with and will

¹ *In re George Towne Trolley Tours & Transp. LLC*, No. AP-17-135, Order No. 17,335 (Dec. 5, 2017).

² *Id.*

³ *Id.*

⁴ *Id.*

comply with the Compact, the Commission's rules, regulations and orders, and Federal Motor Carrier Safety Regulations as they pertain to transportation of passengers for hire.

Normally, such evidence would establish an applicant's fitness,⁵ but this applicant has a history of regulatory violations.

I. HISTORY OF VIOLATIONS

Applicant was issued WMATC Certificate of Authority No. 3276 on September 24, 2019, and last held authority on November 2, 2021, when it was revoked for failure to produce documents as directed.⁶ In the span of less than two years applicant's authority was suspended four times: three times for insurance violations⁷ and once for failure to pay the Commission's 2021 annual fee and an associated late fee and dishonored payment fee.⁸

In Case No. MP-20-012, the Commission found that applicant operated on January 23, 2020, while Certificate No. 3276 was suspended for applicant's failure to maintain an effective WMATC Insurance Endorsement on file with the Commission as required by WMATC Regulation No. 58 and failure to pay a \$100 late fee assessed under Regulation No. 67-03(c).⁹ Accordingly, the Commission assessed a \$250 civil forfeiture against applicant.¹⁰

In Case No. MP-20-189, Certificate No. 3276 was suspended on October 9, 2020, and revoked on November 12, 2020, for applicant's renewed failure to maintain an effective WMATC Insurance Endorsement on file with the Commission as required by WMATC Regulation No. 58 and pay a \$100 late fee assessed under Regulation No. 67-03(c).¹¹ Applicant eventually submitted the necessary WMATC Endorsement, paid the late fee, and filed a timely application for reconsideration, and Certificate No. 3276 was reinstated on December 8, 2020.¹² However, because the effective date of the replacement endorsement was December 4, 2020, instead of October 9, 2020, leaving a 56-day gap in required insurance coverage, the reinstatement order continued the investigation and, in accordance with Regulation No. 58-14(a), directed applicant to verify timely cessation of operations and produce copies of all business records from July 1, 2020, to December 8, 2020, and a corroborating statement

⁵ *Id.*

⁶ *In re Tremmas Inc*, No. MP-20-012, Order No. 19,595 (Nov. 2, 2021).

⁷ *In re Tremmas Inc*, No. MP-20-012, Order No. 18,616 (Jan. 16, 2020); *In re Tremmas Inc*, No. MP-20-068, Order No. 18,800 (Apr. 27, 2020); *In re Tremmas Inc*, No. MP-20-189, Order No. 19,029 (Oct. 9, 2020).

⁸ *In re Tremmas Inc*, No. MP-21-062, Order No. 19,351 (May 3, 2021).

⁹ Order No. 19,595 at 3.

¹⁰ *Id.* at 4.

¹¹ *In re Tremmas Inc*, No. MP-20-189, Order No. 19,143 (Nov. 12, 2020).

¹² *In re Tremmas Inc*, No. MP-20-189, Order No. 19,174 (Dec. 8, 2020).

from Medical Transportation Management, Inc., (MTM), a principal client of record at the time.¹³

Applicant failed to fully comply and consequently, in November 2021, the Commission assessed a \$250 civil forfeiture against applicant and again revoked Certificate No. 3276.¹⁴

After filing the instant application, applicant produced additional documents responsive to the reinstatement order in Case No. MP-20-189, but several deficiencies specifically identified in the latest revocation order remain unresolved. Although applicant has produced a new statement from MTM to corroborate its claim that it ceased operations in the Metropolitan District from October 9, 2020, to December 8, 2020, the MTM statement seems to imply applicant operated on behalf of MTM on October 9, 2020, while applicant was suspended and uninsured, and confusingly refers to "Tremmas LLC" instead of applicant, Tremmas Inc. In addition, applicant has yet to produce any MTM daily trip logs and the remittance advice spreadsheet printouts previously filed by applicant are illegibly formatted, depriving the Commission of key evidence that could corroborate applicant's verification that it timely ceased operations.

II. LIKELIHOOD OF FUTURE COMPLIANCE

When an applicant or a person controlling an applicant has a record of regulatory violations, or a history of controlling companies with such a record, the Commission considers the following factors in assessing the likelihood of applicant's future compliance: (1) the nature and extent of the violations, (2) any mitigating circumstances, (3) whether the violations were flagrant and persistent, (4) whether the controlling party has made sincere efforts to correct past mistakes, and (5) whether the controlling party has demonstrated a willingness and ability to comport with the Compact and rules and regulations thereunder in the future.¹⁵

The violations listed above were serious enough to warrant revocation of Certificate No. 3276 twice in slightly over two years and occurred with a frequency that could be described as persistent. And while applicant has paid the civil forfeitures assessed against it and complied with the Commission's latest revocation order, applicant's ongoing failure to produce all of the business records directed in Order No. 19,174 leaves open the question of whether applicant continued operating in late 2020 while suspended and then revoked, and it calls into question applicant's current willingness and ability to comply with Commission requirements.

¹³ *Id.*

¹⁴ Order No. 19,595 at 3-4.

¹⁵ Order No. 17,335 at 2.

Consequently, we cannot say that applicant has carried its burden of establishing regulatory compliance fitness.¹⁶

THEREFORE, IT IS ORDERED that the application of Tremmas Inc for a certificate of authority is hereby denied without prejudice.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS RICHARD AND LOTT:



Jeffrey M. Lehmann
Executive Director

¹⁶ See *In re 3MH Servs. Ltd.*, No. AP-16-011, Order No. 16,721 (Dec. 7, 2016) (denying application where applicant had yet to produce records requested in insurance gap investigation); *In re Metro Transcare LLC*, No. AP-15-268, Order No. 16,243 (Mar. 9, 2016) (same).