

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2372

IN THE MATTER OF:

Served September 22, 1982

Application of FREEWAY ENTERPRISES,)
INC., for a Certificate of Public)
Convenience and Necessity to)
Engage in Regular-Route Operations)
— Laurel, Md., to Washington,)
D. C.)

Case No. AP-82-10

By application filed July 23, 1982, Freeway Enterprises, Inc., a District of Columbia corporation, seeks a certificate of public convenience and necessity to transport passengers, in regular-route operations, from points in Laurel, Md., 1/ to points in the District of Columbia and return. 2/ Pursuant to Order No. 2352, served July 26, 1982, and incorporated by reference herein, a public hearing on this application was held on August 25, 1982. No party filed a timely protest, but representatives of Prince George's County, Md., unsuccessfully sought to intervene at the hearing. Representatives of the county were permitted to give position statements on the application. 3/

The first county representative, Weldon W. Johnson, Administrative Assistant to the Director for Transportation, Department of Public Works and Transportation, generally described the process involved in attempting to place a commuter bus service in the Laurel area to replace previously-existing services between Laurel and Washington, D. C. The low bidder for a county-subsidized system,

1/ Certain origin points such as the Town Shopping Center, Contee Road and Laurel-Bowie Road are actually outside the city limits of Laurel. The application shall be construed as including the non-Laurel points of origin.

2/ The two routes are described in the Appendix to this order.

3/ The position statements are not evidence. The representatives were not sworn in and no cross-examination was allowed.

Baltimore and Annapolis Railroad Company (B & A), which signed a six-year contract with the county, was scheduled to commence service September 7, 1982, between Laurel 4/ and a point in the downtown area of Washington, D. C., over a route similar to that of applicant's Route I but without the numerous Washington, D. C., stop-off points. Inasmuch as the county has no plans to provide service over U. S. Route 1, as sought by Freeway's Route II, Mr. Johnson stated that the county would support approval of that service.

The second county representative, Frank P. Casula, County Councilman, First Council District, Prince George's County, stated that he represents the Laurel area, among other points in the northern part of the county. Councilman Casula described the historical problems in assuring Laurel residents of efficient mass transportation to Washington, D. C., and stated that B & A was the only bus company to bid on the proposed county contract.

Freeway has, since May 3, 1982, been performing temporary authority operations over a route substantially similar to Route I pursuant to Order Nos. 2330 and 2332, served April 9 and April 28, 1982, respectively.

The treasurer of Freeway testified that the company (originally a partnership) was formed in March 1982 with the view that a transportation service was needed from the Laurel area to downtown, Washington, D. C., inasmuch as the then-existing carrier, U. S. Bus Lines, Inc., was dissolving. Two of the four partners had driven for another bus company and a third was a dispatcher and mechanic for that company. The witness stated that although the application proposed a tariff of \$3 for a one-way trip or \$27 for a 10-ride weekly ticket, he wanted to amend the application at the hearing to maintain the rates being charged under temporary authority which are \$2.50 for a one-way trip and \$22.50 for a 10-ride weekly ticket. The Commission will accept the amendment and consider the proposed tariff and financial data accordingly.

The officer stated that ridership was increasing steadily since the advent of temporary authority service (four trips inbound to Washington, D. C. in the morning and four trips outbound in the afternoon), and, at the present time, the ridership averages about 70 passengers inbound and 70 passengers outbound each day. While the temporary-authority service is solely over what is labelled Route I herein, Freeway seeks to provide service over Route II based on service availability in the past by carriers who have abandoned the market and discussions with potential passengers.

4/ Recent information indicates that the service would commence outside Prince George's County (Maryland City, Anne Arundel County), and would be authorized by the Interstate Commerce Commission, thus removing the service from WMATC jurisdiction.

Applicant owns two buses and, through a lease agreement, has three more buses available as needed. The witness, who serves as Freeway's mechanic, testified that the two buses owned by the company were successfully inspected by the Maryland Public Service Commission. He further stated that there is a regular maintenance program in place and that there have been no significant problems with the equipment during temporary-authority operations.

With regard to financial matters, Freeway projects income of \$181,100 for the 12 months starting July 1, 1982 (based on current fares of \$2.50 per one-way trip and \$22.50 for a 10-ride weekly ticket), cost of revenue of \$111,328 and general and administrative expenses of \$57,085 for an operating ratio of 93 percent before state or federal income taxes.

Six witnesses testified on behalf of Freeway. Each witness has been using the carrier's service during temporary authority operations. The first supporting witness started riding Freeway at the beginning of August, having relied on a car pool and Metro previously. He switched to Freeway because of the convenience of several scheduled bus departures, rather than inflexible car pool arrangements or the distant Metro service which would first require driving to a rail station. The witness expressed satisfaction with the service, including bus maintenance and adherence to the schedule.

The second witness explained that prior to Freeway's service, she had to drive quite a distance and board another bus to get downtown. The alternative, driving to a Metro station, parking and boarding the subway, was considerably more expensive than using Freeway. Additionally, the flexibility in work schedule is met by the carrier's varied bus schedules. The witness stated that there has been a gradual but steady increase in the ridership.

The third supporting witness, who started using the service the first day it became available, reiterated the growth in passenger traffic, and affirmed the need for a through bus service from Laurel. She stated there have been no problems encountered with the equipment or the schedule.

The remaining three witnesses, who board and disembark the buses at various sought termini, generally expressed satisfaction with the service being offered by Freeway, including the condition of the equipment, adherence to scheduled departure times and convenience of the scheduling. They agreed with earlier witnesses that passenger traffic has been increasing with the passage of time.

All supporting witnesses expressed a willingness to remain Freeway passengers even in the event of a ticket price increase to \$3 per ride because of the satisfactory service and the variety of scheduled departures and pick-up and drop-off points.

The Compact, Title II, Article XII, Section 4(b) provides that a certificate of public convenience and necessity shall be issued by the Commission if it finds ". . . that the applicant is fit, willing and able to perform such transportation properly and to conform to the provisions of the Act and the rules, regulations, and requirements of the Commission thereunder, and that such transportation is or will be required by the public convenience and necessity; otherwise, such application shall be denied."

The Commission finds that applicant has sustained its burden of proof regarding the matter of need for service. Service provided under temporary authority has been satisfactory. There appears to be a future need for the service proposed over Route II inasmuch as no service is now available. The witnesses all expressed a need for the service offered by Freeway as an alternative to car pool or car and Metro service. The bus service is convenient and economical and will fill a void left when other bus services abandoned the Laurel-Washington, D. C. corridor. This operation is entirely consistent with the Commission's policy of encouraging mass transportation operations as an alternative to private automobile transportation. The record in this proceeding establishes that Freeway has sufficient suitable equipment available and that it is fit, financially and otherwise, to conduct the service authorized herein. Freeway is hereby reminded that all equipment leases must be in conformance with Commission Regulation No. 69.

THEREFORE, IT IS ORDERED:

1. That the amendment to the tariff proposing a one-way fare of \$2.50 and a 10-ride weekly fare of \$22.50 is hereby accepted.
2. That Freeway Enterprises, Inc., is hereby granted authority to transport passengers, in regular-route operations, as set forth in the Appendix hereto.
3. That Freeway Enterprises, Inc., is hereby directed to file two copies of an appropriate WMATC tariff in accordance with the authority granted herein, within 30 days from the date of service hereof, such tariff to be effective upon acceptance by the Commission.

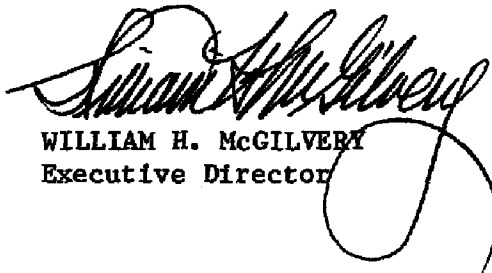
4. That Freeway Enterprises, Inc., is hereby directed to file an affidavit that its vehicles are identified in accordance with Commission Regulation No. 68, for which purpose WMATC No. 78 is hereby assigned.

5. That upon compliance by applicant with the directives set forth in 3 and 4 above, an appropriate certificate of public convenience and necessity shall be issued.

6. That the temporary authority granted in Order Nos. 2330 and 2332 to Freeway Enterprises, Inc., shall be cancelled upon the issuance of a certificate herein without further order of the Commission.

7. That unless applicant complies with the directives set forth above within 30 days from the date of service hereof, or within such additional time as may be authorized by the Executive Director, the grant of authority made herein shall be considered as null and void and the application shall stand denied in its entirety effective upon the expiration of the said compliance time.

BY DIRECTION OF THE COMMISSION, COMMISSIONERS CLEMENT, SCHIFTER AND SHANNON:



WILLIAM H. MCGILVERY
Executive Director

APPENDIX

ROUTE I

From the intersection of Sandy Springs Road and Van Dusen Road in Laurel, Md., then over Maryland Highway 198 to Maryland Highway 197, then over Maryland Highway 197 to the Baltimore-Washington Parkway, then over the Baltimore-Washington Parkway to New York Avenue, N. E., then over New York Avenue, N. E., to North Capitol Street, then over North Capitol Street to Indiana Avenue, N. W., then over Indiana Avenue, N. W., to 3rd Street, N. W., then over 3rd Street to Independence Avenue, S. W., then over Independence Avenue, S. W., to 14th Street, S. W., then over 14th Street to Constitution Avenue, N. W., then over Constitution Avenue, N. W., to Virginia Avenue, N. W., then over Virginia Avenue, N. W., to 22nd Street, N. W., then over 22nd Street, N. W., to K Street, N. W., then over K Street, N. W., to 14th Street, N. W., and return over the same route, serving the Towne Shopping Center, Maryland Highway 197 and Contee Road, and the intersection of Maryland Highway 197 and Muirkirk Road as intermediate points and serving all intermediate points in the District of Columbia.

ROUTE II

From the intersection of U. S. Highway 1 and Marshall Avenue, then over U. S. Highway 1 to Rhode Island Avenue, N. E., then over Rhode Island Avenue to M Street, N. W., then over M Street, N. W., to 21st Street, N. W., then over 21st Street, N. W., to K Street, N. W., then over K Street, N. W., to 14th Street, N. W., serving all intermediate points in the District of Columbia.