

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2445

IN THE MATTER OF:

Served July 28, 1983

Application of DIRECT SERVICES,)
INC., for Special Authorization to)
Perform Charter Operations Pursuant)
to Contract -- Federal Highway)
Administration)

Case No. CP-83-08

By application filed July 22, 1983, Direct Services, Inc., seeks authorization to conduct charter operations pursuant to WMATC Special Certificate of Public Convenience and Necessity No. 1 under a contract with the Federal Highway Administration, to transport passengers (presumably FHA employees) between FHA facilities located at 400 - 7th Street, N. W., Washington, D. C., and the FHA research laboratory located in McLean, Va.

No contract for the proposed service is enclosed. A notarized letter from FHA's small and disadvantaged business representative states that "[w]e intend to negotiate a contract with [Direct Services, Inc.] via the U. S. Small Business Administrations' 8(a) program to provide this service." FHA desires to have the service in place by August 1, 1983, for a trial period of six months. 1/

It is proposed that six scheduled round trips would be made each federal work day between 7:15 a.m. and 5:00 p.m. Total price of the contract is \$30,269 of which \$2,242 would be profit for an operating ratio (before income tax) of .926. The service requires one 15-passenger van equipped with a mobile radio.

1/ Six months would exceed the 181 days minimum requirement of Regulation No. 70 under which applicant seeks to have this case processed. Due process requirements, however, would preclude any possibility of processing this case in only 10 days.

Applicant states that it is experienced primarily in small package delivery and holds Interstate Commerce Commission authority to operate in more than 20 states. Its fleet includes over 70 vehicles of which at least six would appear to be suitable to provide the proposed service. A certificate of insurance was submitted, but it includes an unacceptable cancellation clause. 2/ Direct Services states that it is familiar with the requirements of the Commission and will comply therewith.

A certified public accountant's statement was submitted. Applicant's balance sheet as of March 31, 1983, shows current assets of \$518,416, total assets of \$997,241, current liabilities of \$230,735 and stockholders' equity of \$481,434. The operating statement for the year ended March 31, 1983, shows revenues of \$3,176,698, operating expenses of \$2,973,301 and net earnings (after interest expense and income taxes) of \$79,967.

It appears as though this case is amenable to processing under Commission Regulation No. 70. See Order No. 2004, served June 20, 1979, and effective July 21, 1979. Pursuant to Regulation No. 70-06 notice of this application must be published and an opportunity given for the filing of protests. Protests, if any, must be written, sworn and notarized, and must contain all evidence and argument upon which the protestant would rely. Applicant will be directed to submit an additional statement from the contracting party, and any authorization which may be granted will be conditioned upon the filing of an executed contract.

THEREFORE, IT IS ORDERED:

1. That Direct Services, Inc., publish once in a newspaper of general circulation in the Metropolitan District, notice of this application in the form prescribed by the staff of the Commission no later than Tuesday, August 2, 1983.

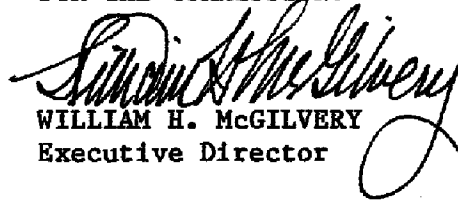
2. That applicant shall file an affidavit of such publication with the Commission no later than Friday, August 12, 1983.

2/ The correct cancellation clause should read "Should any of the above-described policies be cancelled before the expiration date thereof, the issuing company will mail written notice to the named certificate holder, said notice to be effective 30 days from the date received by the named certificate holder."

3. That any person desiring to protest this application shall file a notarized protest in conformance with Commission Regulation No. 70-06 at the office of the Commission, Suite 316, 1625 I Street, N. W., Washington, D. C. 20006, no later than Friday, August 12, 1983, and shall simultaneously serve a copy of such protest on applicant's representative, Benjamin Fernandez, 6310 - C Gravel Avenue, Alexandria, Va. 22310.

4. That applicant submit an original and four copies of both the proposed contract and a notarized statement from FHA fully conforming with the provisions of Regulation No. 70-04 no later than Friday, August 12, 1983.

FOR THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director