

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 3176

IN THE MATTER OF:

Served June 8, 1988

Application of GREYHOUND LINES,)
INC., for a Certificate of Public)
Convenience and Necessity to)
Conduct Charter Operations)

Case No. AP-88-08

By application filed March 1, 1988, Greyhound Lines, Inc. ("GLI" or "applicant"), seeks a certificate of public convenience and necessity to transport passengers in charter operations pursuant to contract with Montgomery County, Md. ("the County"). The contract, described in greater detail below, requires that applicant provide regular route service between points in Montgomery County, Md., in conjunction with the County's Ride-On service.

By Order No. 3155, served April 25, 1988, GLI was granted temporary authority to perform the service encompassed by the contract. Pursuant to Order No. 3134, served March 18, 1988, and incorporated herein by reference, a public hearing on the matter was held on April 21, 1988. A company representative testified on GLI's behalf, and a representative of the County testified in support of the application. The application is unopposed.

SUMMARY OF EVIDENCE

Mr. Mark E. Snyder, senior director of contract services for GLI, testified regarding the company. GLI performs local contract bus service in 12 geographic locations using 460 buses. This type of service is a substantial portion of applicant's overall business at this time. Although he will not be responsible for applicant's day to day operations in the Washington area if this application is granted, Mr. Snyder had certain personal responsibility for structuring the initial proposal to the County and is familiar with the proposed operations to be performed under the contract at issue in this application. GLI will use twenty-two 21-passenger leased vehicles to provide the service for which it seeks a certificate. Vehicles are garaged in Washington, D.C., where applicant maintains a terminal. Once in service, each vehicle will be inspected daily for visible defects and compliance with the requirements of the United States Department of Transportation ("DOT"). A comprehensive mechanical inspection is performed every 5,000-6,000 miles. The preventive maintenance program is the same as that applied to larger over-the-road coaches.

GLI requires drivers to be at least 21 years old, be appropriately licensed, have no more than one moving violation, successfully complete the physical prescribed by DOT, and pass applicant's own training program. That program consists of a ten-day initial training program which includes bus operations, route familiarization, customer sensitivity, and an extensive defensive driving course. Drivers receive four to eight hours follow-up training each month.

Applicant's site manager will be Mr. Scott Marinello who is familiar with the Compact and the Commission's rules and regulations. Through Mr. Marinello and with the help of counsel, applicant will comply with the Compact and Commission rules and regulations.

A statement of financial condition dated June 30, 1987, shows total assets of \$417,296,000 including current assets of \$68,918,000, fixed assets after allowance for depreciation of \$276,832,000, and other described assets of \$71,546,000. Current liabilities of \$103,680,000 are listed plus long-term liabilities of \$266,495,000 with equity of \$47,121,000. For the first 12 months of operations under the contract at issue in this case, applicant projects revenues of \$1,180,035 with total expenses of \$1,095,035, resulting in net operating income of \$85,000.

Mr. Marc D. Atz, acting chief of the services development and promotion section of the Montgomery County Department of Transportation, testified on behalf of the County in support of the application. Mr. Atz's department is responsible for routing and scheduling, marketing and promotions, and transit information. Mr. Atz testified that the County selected GLI from among five bidders responding to the County's request for proposals to perform certain regular route transportation between points in the County. The bids from private carriers were solicited in response to a decision by the Montgomery County Council to respond to certain citizen concerns, regarding diesel emissions in particular, by examining the feasibility of operating small gasoline-powered vehicles on some selected high-ridership routes. The Council directed the County to solicit bids from private contractors as part of this process. The proposal went to nearly 200 prospective offerors. After a long selection process, GLI's offer was deemed to be the most advantageous to the County, price and other factors considered.

The purpose of the contract is to have a private carrier perform certain regular route transportation supplementing that provided by the County itself through its Ride-On program. Ride-On is a service of Montgomery County providing fixed route, fixed scheduled bus service over approximately 50 routes throughout the County. Ride-On maintains 196 buses which it operates over these routes. It uses private contractors on certain low ridership routes. In combination with Metrobus service, Ride-On provides ready access to public transportation for 80 percent of the County's population. Ride-On collects 34 percent of its direct costs through the farebox; the difference is supported through state funding and a mass transit tax paid by Montgomery County residents.

The Contract between the County and GLI is for a period of two years with an option to extend for a third year. The service required by the contract is limited to transportation in 21-passenger vehicles which are gasoline powered. The routes covered under the contract are designated Routes 3, 4, 10, 13, and 18. The contract also requires performance of a shuttle service in downtown Silver Spring. The witness generally described each route. Route 3 operates on weekdays between the Takoma Park Metro Station and the Silver Spring Metro Station via 16th Street, Georgia Avenue, Dale Drive, Piney Branch Road, and Eastern Avenue. Route 4 operates between the Grosvenor Metro Station, Bethesda, Md., and the Silver Spring Metro Station via Rockville Pike, Strathmore Avenue, Knowles Avenue, Howard Avenue, Kensington Parkway, Stoneybrook Drive, Linden Lane, Second Avenue, 16th Street, and Wayne Avenue. Route 10 operates between Northwood and the Silver Spring Metro Station via Georgia Avenue, Forest Glen Road, Dallas Avenue, and Dennis Avenue. Route 13 operates between the Takoma Park Metro Station and the Silver Spring Metro Station via Maple Avenue, Sligo Creek Parkway, Piney Branch Road, Flower Avenue, Manchester Road, Sligo Creek Parkway, and Colesville Road. Route 18 operates between the Silver Spring Metro Station and Langley Park via 16th Street, Eastern Avenue, Takoma Park Metro Station, and Carroll Avenue. The shuttle service operates from and to the Silver Spring Metro Station via Cameron Street, Fenton Street, Georgia Avenue, and East-West Highway, serving various parking facilities enroute. Previously the County had operated Routes 3, 4, 10, 13, and 18 and had contracted operation of the shuttle service.

DISCUSSION AND CONCLUSION

This matter is governed by Title II, Article XII, Section 4(b) of the Compact which requires that an applicant for a certificate of public convenience and necessity prove that it is fit, willing, and able to perform the proposed transportation properly and to conform to the provisions of the Compact and the Commission's rules, regulations, and requirements thereunder. Section 4(b) further requires that the applicant prove the proposed service is required by the public convenience and necessity. After reviewing the entire record in this case we find that GLI has met its statutory burden. Accordingly, the application shall be granted.

GLI is a large, established motor carrier of passengers. The record shows that it is a financially healthy company and that this operation will be profitable. To operate the contract at issue in this case, GLI will obtain the requisite number of 21-passenger vehicles. The vehicles will be new, regularly maintained, and inspected daily before being placed on the road. Applicant has a preventive maintenance program in place in which the contract vehicles will participate. GLI hires only drivers who are properly licensed and have a good driving record. Applicant is willing to comply with the Compact and the Commission's rules and regulations and, to that end, has retained counsel and a daily operations manager familiar with regulatory considerations in the Metropolitan District. GLI has demonstrated its willingness and ability to comply therewith.

Montgomery County, through its Ride-On program, provides needed regular route transportation between points in Montgomery County. The service at issue in this application is part of the Ride-On system, the only difference being that the County has contracted with a private carrier to provide the transportation. The routes at issue are considered high ridership routes, notwithstanding the fact that the County has decided, for environmental reasons, to serve those routes in vehicles somewhat smaller than the 30-passenger buses owned and operated by the County. Although no passenger counts applicable to these routes were made available, we find that a useful public purpose will be served by the proposed operation. In view of the facts that the County has been providing this service, that persons in the County have come to rely on it, that residents of the County have made specific demands regarding the service which this contract is designed to meet, and that the County is willing to subsidize provision of frequent service on the routes at issue, we are convinced that the proposed service will serve a useful public need responsive to a public demand. Inasmuch as the application is uncontested, we infer that no carrier will be materially affected by its grant.

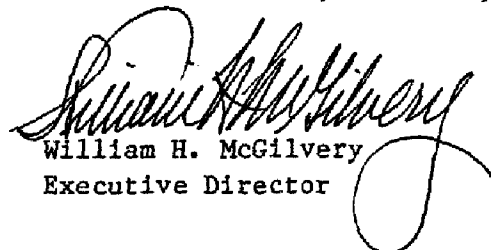
THEREFORE, IT IS ORDERED:

1. That Greyhound Lines, Inc., is hereby conditionally granted authority, contingent upon timely compliance with the terms of this order, to transport passengers in charter operations between points in Montgomery County, Md., pursuant to contract dated February 16, 1988, with Montgomery County, Md., together with any continuous extensions, amendments or modifications thereto, restricted to transportation in vehicles with a manufacturer's designed seating capacity of 21 persons or less, including the driver.

2. That Greyhound Lines, Inc., is hereby directed to file within 30 days of the service date of this order: (a) an affidavit of identification of vehicles in accordance with Commission Regulation No. 68 for which purpose WMATC No. 139 has been assigned; (b) executed copies of leases pursuant to Regulation No. 69 for each vehicle leased by Greyhound Lines, Inc., for use in WMATC operations; (c) two copies of its WMATC tariff cover sheet pursuant to Commission Regulation No. 55; and (d) the name and address of a local agent for service of process.

3. That unless Greyhound Lines, Inc., complies with the requirements of the preceding paragraph within 30 days of the service date of this order or such additional time as the Commission may direct or allow, the conditional grant of authority contained herein shall be void, and the application shall stand denied in its entirety upon the expiration of the said compliance time.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS WORTHY, SCHIFTER, AND SHANNON:


William H. McGilvery
Executive Director