

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 3232

IN THE MATTER OF:

Served September 23, 1988

Application of ANA HALLO TOURS)
(USA), INC., for a Certificate of)
Public Convenience and Necessity to)
Conduct Charter Operations)

Case No. AP-88-19

By application filed May 11, 1988, ANA Hallo Tours (USA), Inc. (ANA Hallo or applicant), seeks a certificate of public convenience and necessity to transport passengers in charter operations, together with mail, express, and baggage in the same vehicle as passengers, (1) between Washington National Airport (National), Arlington County, VA, and Washington Dulles International Airport (Dulles), Loudoun County, VA, on the one hand, and on the other, points in the District of Columbia and (2) between points in the District of Columbia; Arlington National Cemetery, Arlington County, VA; Alexandria, VA; and Mt. Vernon, Fairfax County, VA, restricted to transportation in vehicles with a manufacturer's designed seating capacity of 25 passengers or less (excluding the driver). 1/

A public hearing was held on July 12, 1988, pursuant to Order No. 3172, served May 27, 1988, at which applicant presented two witnesses. The application is uncontested.

SUMMARY OF EVIDENCE

ANA World Tours, Inc. (ANA World), is the in-house travel agent for and a wholly-owned subsidiary of All Nippon Airways, Inc. (All Nippon). ANA Hallo is a wholly-owned subsidiary of ANA World. ANA Hallo is a California corporation with offices in Los Angeles, San Francisco, New York, Boston, and Washington, DC. Applicant currently brokers tours solely for its parent companies, All Nippon and ANA World, chartering equipment as needed from certificated carriers. By this application, ANA Hallo seeks authority to provide the ground transportation component of these same tours. Mr. Yasuhiko Seino is general manager of ANA Hallo's Washington office. His duties include inter-office affairs, office management, and supervision of Washington tours.

1/ To the extent that this application could be interpreted to include transportation solely within the Commonwealth of Virginia, it was dismissed by Order No. 3172 pursuant to the Compact, Title II, Article XII, Section 1(b).

For the 12 months ended March 31, 1988, applicant's Washington office had tour revenues of \$2,012,900 with direct expenses for the same period of \$1,851,555. This represented 5,994 inbound passengers and 4,613 outbound passengers. ^{2/} A consolidated statement of financial condition as of March 31, 1987, for applicant and its subsidiaries shows current assets of \$4,685,403; fixed assets, after allowance for depreciation, of \$262,288; and other assets of \$96,604. Current liabilities of \$4,766,484, long-term liabilities of \$7,083, and equity of \$270,728 are listed. Applicant estimates that revenues from the first 12 months of WMATC operations will be \$81,900, based on service for 45 hours a week for 52 weeks at \$35 an hour. ANA Hallo projects expenses of providing the proposed service for the same period will be \$63,680.

Mr. Stephen M. Charters, tour administrator for ANA Hallo's Washington office, serves as administrative assistant to Mr. Seino and is responsible for the company's statistics as well as overseeing some day-to-day aspects of the tour operations. When providing tour service for ANA World, applicant is advised of the following for each group: date and time of arrival, tour or tours to be provided, size of group, and type of accommodations required. ANA Hallo makes all arrangements. In addition, ANA Hallo works with All Nippon arranging familiarization trips for travel agents and incentive travel for its employees. During calendar year 1987 applicant served 6,200 passengers in about 400 tour groups. For the six months ended June 30, 1988, ANA Hallo arranged transportation for approximately 3,000 passengers in 200 to 250 tour groups. Tour groups range in size from 12 to 20 persons. ANA Hallo considers a 25-passenger vehicle suitable for this size group.

On any given day ANA Hallo operates several tours. The tours are combined for the purpose of motor coach service. When groups are combined, the service offered each group is identical, and the parent companies are billed for a single group. If this application is granted, ANA Hallo would continue this practice by billing its proposed tariff rate of \$35 an hour. ANA World sells, and ANA Hallo would offer, an introductory sightseeing tour of approximately 6-1/2 hours duration. The tour would be lectured and would originate from either Dulles or National, proceed to Arlington National Cemetery, with lunch in either Alexandria, VA, or the District of Columbia waterfront. After lunch the tour would cover the White House, the Lincoln Memorial, the Capitol, and the Smithsonian Air and Space Museum. In addition, ANA World sells, and ANA Hallo would offer, tours of Mt. Vernon and Alexandria as well as customized tours for groups with specialized interests.

^{2/} Most passengers who land at either National or Dulles have bought a tour package from ANA World that includes Washington, DC. Some persons, however, merely transfer in Washington to another destination.

ANA Hallo plans to lease one new 25-passenger vehicle from an affiliated company. The vehicle has a standard chassis with a customized body especially designed for sightseeing. The windows are larger than average, and the vehicle has a luggage compartment in back. ANA Hallo expected the vehicle to be delivered to the dealer the week of the hearing, and its witness testified that the vehicle would be stored on the dealer's premises until applicant receives WMATC operating authority. Applicant intends to house the vehicle on an outdoor public parking lot in Arlington County, VA. An extended warranty for three years would cover repairs to the engine, transmission, transaxle, front-wheel and rear-wheel drive components, distributor, fuel tank, temperature control, and "quite a bit more." A chronometer will be placed on the vehicle, and the vehicle will be inspected for preventive maintenance purposes at specified intervals measured in hours of use. The intervals used will be those recommended by the company that will service the vehicles. ANA Hallo will provide a back-up vehicle as necessary either by leasing one or by chartering service from a certificated carrier. Applicant is aware that WMATC requires \$5,000,000 security for the protection of the public and has taken preliminary steps to obtain insurance.

ANA Hallo plans to hire two drivers. One has been selected who has 12 years experience driving commercially and over four years experience driving a 25-passenger vehicle. The driver is licensed in the District of Columbia. ANA Hallo will require any additional driver to have at least three years experience with a 25-passenger vehicle and longer than that with a commercial license. ANA Hallo prefers that the second driver be a licensed sightseeing guide as well as a driver in order that it may use him primarily as a guide. These employees' driving records will be checked every three months. ANA Hallo would also hire such additional licensed sightseeing guides as are necessary for its tours.

Mr. Charters is familiar and willing to comply with the Compact and the Commission's rules and regulations and with the safety regulations of the United States Department of Transportation which the Commission had adopted as its own.

DISCUSSION AND CONCLUSIONS

Title II, Article XII, Section 4(b) of the Compact provides

. . . the Commission shall issue a certificate . . . , if it finds, after hearing held upon reasonable notice, that the applicant is fit, willing and able to perform such transportation properly and to conform to the provisions of this 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 (Emphasis added.)

Based on a review of the entire record in this case, we find applicant fit, willing, and able to perform the proposed service and to conform to the Compact and the Commission's rules, regulations, and requirements thereunder.

Applicant is an established, well-capitalized company that specializes in providing sightseeing tours throughout the United States as directed by its "clients," ANA World and All Nippon. The management of ANA Hallo's Washington office has spent two years becoming knowledgeable of the Washington area and has developed a basic tour package which would be provided daily in a vehicle especially designed for sightseeing. Customized tours would be offered as appropriate. ANA Hallo would use only new equipment subject to a preventive maintenance program administered by an established dealer whose employees are experienced in repairing and maintaining vehicles used commercially. ANA Hallo's drivers will be properly licensed, experienced, and have clear driving records which will be monitored quarterly. Thus, the evidence demonstrates that applicant is able to provide the proposed transportation in a reasonably efficient, expeditious, and safe manner. From the financial data submitted, we conclude the proposed operations are financially viable. Moreover, applicant's management is familiar and willing to comply with the Compact, and the Commission's rules, regulations, and requirements. On this basis, we find ANA Hallo to be fit as to compliance.

The Commission must also consider whether the proposed transportation is required by the public convenience and necessity. We begin by noting that ANA Hallo's testimony at hearing indicates an intent to provide service solely for two corporate affiliates: ANA World and All Nippon. ANA Hallo has been arranging the service it now proposes to offer using WMATC-certificated carriers for over two years. In 1987, ANA Hallo arranged transportation for 6,200 persons in 400 tour groups ranging in size from 12 to 20 persons. For the six months ended June 30, 1988, applicant arranged transportation for approximately 3,000 passengers in 200 to 250 groups of the same size range. Thus, the record demonstrates that the accounts of All Nippon and ANA World require the proposed service at least once a day. Applicant wishes to provide the service itself rather than arrange the service through others in order to save money for all three corporations and to assure that a vehicle of the type and condition required is available when needed. Based upon the evidence elicited at hearing, it is clear that the public requires the type of service proposed because that exact service has been used daily for two years. Although certificated carriers exist that provide lectured sightseeing tours, none appeared in opposition to the application. The testimony of the witnesses, in combination with the failure of any protestants to appear at the hearing, demonstrates the grant of authority made herein will not have a materially adverse affect on existing carriers.

THEREFORE, IT IS ORDERED:

1. That ANA Hallo Tours (USA), Inc., is conditionally granted authority, contingent upon compliance with the terms of this order, to transport passengers, together with mail, express, and baggage in the same vehicle as passengers, in charter operations (1) between Washington National Airport, Arlington County, VA, and Washington Dulles International Airport, Loudoun County, VA, on the one hand, and, on the other, points in the District of Columbia and (2) between points in the District of Columbia; Arlington National Cemetery, Arlington County, VA; Alexandria, VA; and Mt. Vernon, Fairfax County, VA, restricted to transportation for the accounts of All Nippon Airways, Inc., and ANA World Tours, Inc., in vehicles with a manufacturer's designed seating capacity of 26 persons or less, including the driver, and further restricted against transportation solely within the Commonwealth of Virginia.

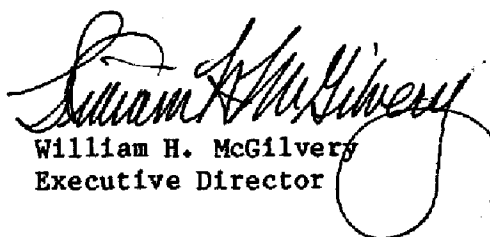
2. That in all other respects the application of ANA Hallo Tours (USA), Inc., is hereby denied.

3. That ANA Hallo Tours (USA), Inc., is hereby directed within 30 days of the service date of this order, to file the following: (a) three copies of its WMATC Tariff No. 1; (b) an equipment list specifying make, model, serial number, vehicle identification number, and license plate number for each vehicle to be used in WMATC operations; (c) a certificate of insurance in accordance with Commission Regulation No. 62; (d) an affidavit of identification of vehicles pursuant to Commission Regulation No. 67, for which purpose WMATC No. 144 is hereby assigned; and (e) evidence of ownership or an equipment lease in accordance with Commission Regulation No. 69 for each vehicle to be used in WMATC operations.

4. That unless ANA Hallo Tours (USA), Inc., complies with the requirements of the preceding paragraph within 30 days from the service date of this order, or such additional time as the Commission may grant or allow, the grant of authority contained herein shall be void in its entirety effective upon the expiration of the said compliance time.

5. That upon compliance with the conditions set forth in the preceding paragraphs, a certificate of public convenience and necessity will be issued to ANA Hallo Tours (USA), Inc., in the form and as worded in the Appendix to this order.

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


William H. McGilver
Executive Director

NO. 144

ANN HALLO TOURS (USA), INC.

WASHINGTON, DC

By Order No. 3232, of the Washington Metropolitan Area Transit Commission issued September 23, 1988;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District as a carrier, for the reasons and subject to the limitations set forth in Order No. 3232;

THEREFORE, IT IS ORDERED that the said carrier is hereby granted this certificate of public convenience and necessity as evidence of the authority of the holder thereof to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions, and limitations as are now, or may hereafter be, attached to the exercise of the privilege herein granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

IRREGULAR ROUTES:

CHARTER OPERATIONS, transporting passengers, together with mail, express, and baggage in the same vehicles as passengers

(a) between Washington National Airport, Arlington County, VA, and Washington Dulles International Airport, Loudoun County, VA, on the one hand, and, on the other, points in the District of Columbia; and

(b) between points in the District of Columbia; Arlington National Cemetery, Arlington County, VA; Alexandria, VA; and Mt. Vernon, Fairfax County, VA.

RESTRICTED in (a) and (b) above to transportation of passengers for the accounts of All Nippon Airways, Inc., and ANA World Tours, Inc., in vehicles with a manufacturer's designed seating capacity of 26 persons or less (including the driver); and

FURTHER RESTRICTED against transportation between points solely in the Commonwealth of Virginia;

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder hereof shall render reasonable, continuous, and adequate service to the public in pursuance of the authority granted herein, and that failure to do so shall constitute sufficient grounds for suspension, change, or revocation of the certificate.