

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 3876

IN THE MATTER OF:

Served January 6, 1992

Application of ATE MANAGEMENT AND)
SERVICE COMPANY, INC.; GREYHOUND)
LINES, INC.; and TRAILWAYS COMMUTER)
TRANSIT, INC., for Approval)
Pursuant to the Compact, Title II,)
Article XII, Section 3)

Case No. AP-91-37

By joint application filed November 5, 1991, ATE Management and Service Company, Inc. (ATE); Greyhound Lines, Inc. (GLI); and Trailways Commuter Transit, Inc. (TCT), a wholly-owned subsidiary of GLI, (collectively applicants), seek approval of a transaction pursuant to the Compact, Title II, Article XII, Section 3.

We served notice of this application on November 13, 1991, in Order No. 3845, and therein directed applicants to publish further notice in a newspaper and file an affidavit of publication. Applicants complied.

We granted temporary approval to the applicants on December 3, 1991, in Order No. 3858. This application is unopposed.

SUMMARY OF EVIDENCE

ATE, GLI and TCT have entered into an Asset Purchase Agreement (Agreement), in which GLI and TCT agreed to sell to ATE for \$5,250,000, certain of their assets, including the operating contracts and 31 associated revenue vehicles, pursuant to which GLI and TCT provide charter contract services in the Metropolitan District, known as "Connect-a-Ride" and "Ride-On" service, respectively.

ATE holds Certificate of Authority No. 157. GLI holds Certificate of Authority No. 139. TCT holds Certificate of Authority No. 184. All of the aforementioned certificates authorize irregular route operations in the Metropolitan District.

The application contains information regarding, among other things, the applicants' corporate status, the terms of the Agreement, ATE's regulatory compliance record and ATE's financial and operational fitness. The application is supported by several documents, including the Agreement, verified statements from ATE and TCT managers, a copy of a Bankruptcy Court Order approving the Agreement, a list of revenue vehicles and ATE financial statements.

GLI and TCT recently emerged from Chapter 11 proceedings before the United States Bankruptcy Court for the Southern District of Texas, Brownsville Division. The Bankruptcy Court approved the Agreement on October 28, 1991. TCT does not plan to continue operating as a certificated carrier in the Metropolitan District and does not object

to termination of its certificate if we approve ATE's acquisition of its assets. Similarly, GLI is said to be shedding its contract commuter operations so that it may concentrate its resources for the provision of regular-route, scheduled, intercity services.

ATE is a nationwide provider of commuter transportation services operating in some 65 communities throughout the United States, including the Metropolitan District where it provides "Ride-On" service in Montgomery County, MD. ATE operates shuttle, handicapped and "trolley" buses in other parts of the Metropolitan District, as well. ATE uses approximately 250 vehicles in the Metropolitan District and will add to that fleet the 31 it acquires from GLI and TCT.

ATE submitted two financial statements with its application, a balance sheet and a condensed statement of earnings. ATE's balance sheet shows, as of September 30, 1991, current assets of \$21,153,090, net property and equipment of \$12,021,916, and investments and other assets of \$9,478,213. Current liabilities are shown as \$7,675,830, long-term liabilities as \$1,131,717, other liabilities as \$13,136,363, and total equity as \$20,709,309. ATE's statement of earnings shows for the year to date, as of September 30, 1991, gross revenue of \$61,034,413, total operating expenses of \$56,654,304, and net profit of \$731,182.

ATE's Manager of Government and Industry Relations has averred on its behalf that neither ATE nor any person controlling, controlled by, or under common control with ATE has any relationship with a WMATC-certificated carrier other than ATE.

DISCUSSION AND CONCLUSION

The Compact, Title II, Article XII, Section 3, provides in pertinent part:

(a) a carrier or any person controlling, controlled by, or under common control with a carrier shall obtain Commission approval to --

(ii) purchase, lease, or contract to operate a substantial part of the property or franchise of another carrier that operates in the Metropolitan District;

(c) If the Commission finds, after notice and hearing, that the proposed transaction is consistent with the public interest, the Commission shall pass an order authorizing the transaction.

Based on the evidence in this record, the Commission finds that the Agreement is a contract to purchase a substantial part of the property of GLI and TCT. Further, the Commission finds ATE to be fit,

willing and able to perform the operating contracts covered by the Agreement and fit, willing and able to conform to the provisions of the Compact and the Commission's rules, regulations and requirements thereunder. We found ATE fit as to compliance in Order No. 3583, served November 7, 1990, and there is nothing in the record here calling for a different conclusion.

ATE has the requisite Certificate of Authority, and neither Montgomery County, MD, nor The Corridor Transportation Corporation -- the entities whose contracts with TCT and GLI, respectively, are at issue here -- has protested or otherwise objected to the subject application.

For the foregoing reasons, the Commission finds the proposed transaction to be consistent with the public interest and hereby authorizes that transaction.

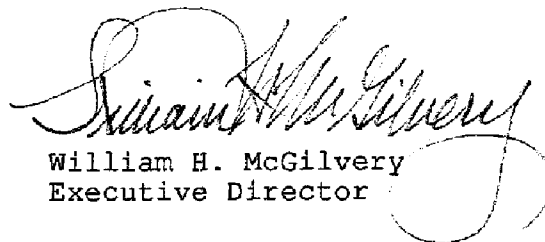
THEREFORE, IT IS ORDERED:

1. That ATE Management and Service Company, Inc., is hereby conditionally granted, contingent upon timely compliance with the requirements of this order, approval to purchase a substantial part of the property of Greyhound Lines, Inc., and Trailways Commuter Transit, Inc., in accordance with the "Asset Purchase Agreement" attached as Appendix A to the parties' joint application.

2. That ATE Management and Service Company, Inc., is hereby directed within 30 days of the date of this order, or such additional time as the Commission may direct or allow, to file (a) four copies of its new contract tariffs in accordance with Regulation Nos. 55 and 56; (b) an equipment list stating the year, make, model, serial number, vehicle number, license plate number (with jurisdiction) and seating capacity of each vehicle acquired or leased pursuant to the Agreement to be used in revenue operations in the Metropolitan District; (c) evidence of ownership or a lease as required by Commission Regulation No. 62 for each vehicle acquired or leased pursuant to the Agreement; (d) an affidavit of identification pursuant to Commission Regulation No. 61 for each vehicle acquired or leased pursuant to the Agreement; (e) an affidavit stating that the old WMATC identification markings have been removed from said acquired or leased vehicles; and (f) an affidavit stating the date on which the consummation of the transactions of purchase and sale with respect to the assets covered by this order took place.

3. That Certificate of Authority No. 184 of Trailways Commuter Transit, Inc., is hereby terminated.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS DAVENPORT, SCHIFTER, AND SEANNON:


William H. McGilvery
Executive Director