

Public Law 757

CHAPTER 669

July 24, 1956
[S. 3073]

AN ACT

To grant a franchise to D. C. Transit System, Inc., and for other purposes.

D. C. Transit
System, Inc.
Franchise.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

PART 1.—FRANCHISE PROVISIONS

SECTION 1. (a) There is hereby granted to D. C. Transit System, Inc., a corporation of the District of Columbia (referred to in this part as the "Corporation") a franchise to operate a mass transportation system of passengers for hire within the District of Columbia and between the District of Columbia and points within the area (referred to in this part as the "Washington Metropolitan Area") comprising all of the District of Columbia, the cities of Alexandria and Falls Church, and the counties of Arlington and Fairfax in the Commonwealth of Virginia and the counties of Montgomery and Prince Georges in the State of Maryland, subject, however, to the rights to render service within the Washington Metropolitan Area possessed, at the time this section takes effect, by other common carriers of passengers: *Provided*, That nothing in this section shall be construed to exempt the Corporation from any law or ordinance of the Commonwealth of Virginia or the State of Maryland or any political subdivision of such Commonwealth or State, or of any rule, regulation, or order issued under the authority of any such law or ordinance, or from applicable provisions of the Interstate Commerce Act and rules and regulations prescribed thereunder.

49 USC 27 and
note.

Definitions.

(b) Wherever reference is made in this part to "D. C. Transit System, Inc." or to the "Corporation", such reference shall include the successors and assigns of D. C. Transit System, Inc.

(c) As used in this part the term "franchise" means all the provisions of this part 1.

Term.

SEC. 2. (a) This franchise is granted for a term of twenty years: *Provided, however*, That Congress reserves the right to repeal this franchise at any time for its non-use.

(b) In the event of cancellation of this franchise by Congress after seven years from the date this franchise takes effect for any reason other than non-use, the Corporation waives its claim for any damages for loss of franchise.

PUC certificate
for competitive
line.

SEC. 3. No competitive street railway or bus line, that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established to operate in the District of Columbia without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia (referred to in this part as the "Commission") to the effect that the competitive line is necessary for the convenience of the public.

Legislative
policy.

SEC. 4. It is hereby declared as a matter of legislative policy that in order to assure the Washington Metropolitan Area of an adequate transportation system operating as a private enterprise, the Corporation, in accordance with standards and rules prescribed by the Commission, should be afforded the opportunity of earning such return as to make the Corporation an attractive investment to private investors. As an incident thereto the Congress finds that the opportunity to earn a return of at least 6½ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income