

# 2885

**Gelnett, Wanda B.**

---

**From:** Steve Chervenka [harrowgate@aol.com]  
**Sent:** Tuesday, January 25, 2011 8:30 PM  
**To:** IRRC  
**Cc:** PRM101@philapark.org; Smith, James M.  
**Subject:** Public Comment: Regulation ID# 126-1 (IRCC # 2885)  
**Attachments:** final\_PPAregh\_myStatement.pdf

RECEIVED  
IRRC  
2011 JAN 26 A 9 11

Silvan B. Lutkewitte, III,  
Chairman  
IRRC  
14th Floor  
333 Market Street  
Harrisburg, PA 17101

**RE: Regulation ID# 126-1 (IRCC # 2885) PUBLIC COMMENT ON THE PHILADELPHIA  
PARKING AUTHORITY TAXI AND LIMOUSINE REGULATIONS PROPOSED  
RULEMAKING**

Dear Silvan B. Lutkewitte, III:

Hope all is well. My comments are attached to this email in PDF format. Copies were delivered to the Philadelphia Parking Authority. If you prefer copies I would be glad to send them.

We are all looking forward to the process. Thank you for your efforts and the entire staff at IRCC.

Sincerely,

Steven G. Chervenka  
2747 Helen Street  
Philadelphia, PA 19134  
cell: 267-709-4923  
email: [harrowgate@aol.com](mailto:harrowgate@aol.com)

**RE: Regulation ID# 126-1 (IRCC # 2885)  
PUBLIC COMMENT ON THE PHILADELPHIA PARKING AUTHORITY TAXI  
AND LIMOUSINE REGULATIONS PROPOSED RULEMAKING**

To: Dennis G, Weldon, Jr.,  
General Counsel  
Philadelphia Parking Authority  
3101 Market Street, 2nd Floor,  
Philadelphia, PA 19115

Comments by: Steven G. Chervenka  
2747 Helen Street  
Philadelphia, PA 19134

Email: harrowgate@aol.com

Cc: Silvan B. Lutkewitte, III,  
Chairman  
IRRC  
14<sup>th</sup> Floor  
333 Market Street  
Harrisburg, PA 17101  
Email: [irrc@irrc.state.pa.us](mailto:irrc@irrc.state.pa.us)

RECEIVED  
IRRC  
2011 JAN 26 A 9:11

January 24, 2011

My background and participation in the taxi industry:

I am grateful for this opportunity to comment on the PPA's proposed regulations, and appreciate the role of the IRCC and the STANDING COMMITTEES OF THE HOUSE AND SENATE OF PA.

I am commenting as a career driver for over 25 years. I started with Yellow Cab when the last commission employee drivers were being phased out into the independent contractor relationship under a new medallion system. For the past 5 years I served as the Political Director of The Taxi Workers Alliance of PA. I have met with the PPA many times on driver issues and also testified for the House Urban Affairs Committee at a public hearing for HB 1914 on the need for workers compensation for taxi drivers and for wheelchair accessible taxicabs. I currently work as a Driver-Owned Vehicle (DOV) taxi driver.

These comments are my own and independent of any association I have with other organizations, and believe that my experience as a career taxi driver and my experience working on driver issues have strongly qualified me to identify the issues that affect the quality of taxi service, and to offer solutions that will improve the quality of taxi service. I believe the quality of taxi service is missing one ingredient to providing world-class taxi service, and that is *a higher standard of living and better working conditions for taxi drivers.*

## **COMMENTS**

### **(1) SUMMARY, Page 3**

### **(2) REGULATORY ANALYSIS FORM: THE PPA'S RESPONSES, Page 4**

**Section II: Statement of Need**

**Section III: Cost and Impact Analysis**

### **(3) PROPOSED REGULATIONS, Pages 5-9**

#### **Subpart A. General Provisions, Pages 5-6**

##### **SUBCHAPTER E. TAXICAB AND LIMOUSINE DIVISION**

**1003.51. 1003.52., 1003.53, 1003.54, 1003.55, 1003.56**

**§1001.23. Other representation prohibited at hearings**

**§1003.52. TLD staffing generally**

#### **Subpart B. Taxicabs, Pages 7-9**

**§1021.3. Maximum number of taxicab driver's certificates.**

**1021.12. Additional requirements.**

**CHAPTER 1017 VEHICLE AND EQUIPMENT REQUIREMENTS**

**(1) Summary:**

I am commenting on the proposed regulations and the PPA's response in IRRC's Regulatory Response Form of questions and answers. In my opinion, their responses to the questions are too vague without complete data to justify proposed regulations, and more time should be allotted to research the economic impact that these regulations will have on the public, drivers, and business owners in the industry.

I want it established that the drivers are part of the industry, and the structure and policies of the TLD-PPA has affected taxi driver's income negatively and significantly. I would like a system of rewards for good performance setup in relation to the system of enforcement.

My comments are limited to my understanding as a layperson and driver. The regulations are very complex and written mostly in legal language. They should be simplified for everyone in this industry to understand.

The independent contractor status of all taxi drivers has to be considered in proposing regulations. Taxi drivers' livelihood depends on the *choices* available to increase revenue and decrease expenses. The proposed regulations, and the regulations that taxi drivers have been working under since the PPA took over, limit the choices to negotiate with medallion owners, negotiate with dispatch companies, and negotiate with the credit card industry, such as the following:

1. **Leasing:** Currently, drivers can lease a cab or own the car and lease a medallion (DOV). For the most part, a DOV is more lucrative. I am not sure if the regulations will allow these *choices* to continue. Newer vehicle requirements will increase costs regardless of a driver's *choice* in contractual arrangement.
2. **Dispatching:** There were about 24 Dispatch companies before the PPA took over, and now there are 12 because of the increased costs due to regulations. Most of the dispatch companies that went out of business were small and served a specific market. Out of business Avante Garde was one small company and had won the "Best of Philly" award for many years. Out of business Your Cab served Rittenhouse Square. Out of business Yeld served convention center hotels. All three could not meet the demands of the PPA. The new regulations will limit dispatch companies to only 12, discouraging entrepreneurs, but also the ability for taxi drivers to negotiate the best deal for driving. According to regulations, PPA and PUC, all medallion taxicabs must belong to a dispatch company. This regulation should be eliminated to give drives another *choice*. Also, no one should be denied the opportunity to start a new dispatch company.
3. **Credit Cards:** The entire taxicab medallion industry has been forced to accept credit cards. In addition, they cannot *choose* a vendor for the best deal. On average (estimate), drivers are paying \$1000 in credit card fees at 5%, while most businesses pay about 3% or less. Because of the sheer volume of credit card usage, and the potential for more, the taxicab industry has been denied the negotiating power to lower the fees and the costs of updating, maintaining, and repairing equipment.

## (2)REGULATORY ANALYSIS FORM: THE PPA'S RESPONSES

### Section II: Statement of Need

**(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit..**

Comment: Their answer does not “quantify”, and only mentions benefiting “all users of taxicabs and limousines in Philadelphia”, *not the drivers*, and not the owners

**(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.**

Comment: The PPA says that “No scientific data, studies, references are used to justify these regulations.” Regulators in other cities have invested in studies to make the right decision. And there are also many studies from organizations collaborating on data that drivers are being exploited by the systems in place and are making less than minimum wage, are relying on the welfare and social programs of each state and something has to be done about it, like an active role by regulatory bodies in implementing driver reward policies, with more compensation and some benefits.

Sources: This is a sample of studies done in the taxi industry and these and more can be found

at <http://www.taxi-library.org/regulation.htm>

1. Driving Austin, Driving Injustice, a report on the working conditions of taxi drivers in Austin, Texas, 2010 Texas Rio Grande Legal Aid
2. Overview of the San Francisco Taxi Industry and Proposition K, a short report prepared for the Charter Reform Working Group, a policy body of the San Francisco Taxi Commission
3. Dispatching Injustice: Cab Drivers Struggle in Prince George's County, 2009 Advancement Project
4. Toronto Taxi Drivers: Ambassadors of the City: a report on working conditions, 2008
5. Driving Toward Poverty, Taxi drivers in the Athens of the South, a Preliminary Report to Nashville Davidson County's Transportation Commission, 2009
6. Driving Poor: Taxi Drivers and the Regulation of the Taxi Industry in Los Angeles, by UCLA
7. Driven Into Poverty: A Comprehensive Study of the Chicago Taxicab Industry, 2009, University of Illinois' School of Labor and Employment Relations

:

### Section III: Cost and Impact Analysis

Comment: The PPA has been regulating the industry long enough to provide cost analysis on the proposed regulations. Blank spaces and generic answers do not answer the questions. The authority budget for taxicab and limousine regulation should be compared to the budget of the PUC when the PUC regulated taxis in Philadelphia. Increased pay and some benefits for the drivers could come out of this budget.

## **(3)PROPOSED REGULATIONS**

### **Subpart A. General Provisions**

#### **SUBCHAPTER E. TAXICAB AND LIMOUSINE DIVISION**

**1003.51, 1003.52., 1003.53, 1003.54, 1003.55, 1003.56**

**COMMENT:**

I have had an issue with the Taxi and Limo Division of the PPA since the beginning with their organizational structure based on who they consider to be part of the industry. The 4300 drivers, unless they are medallion owners, are not considered part of the industry. How they are not considered part of the industry, when they as Independent Contractors pay for the entire industry through the public's ridership? Because of this philosophy that the "we do not consider the drivers part of the industry", they do not communicate to drivers through mail, email, phone or otherwise on regulations unless there is a problem. Drivers find out about a new regulation after they had been fined for breaking it. There is no handbook of regulations provided to all drivers, no dedicated and no known liaison in the PPA for drivers. Drivers cannot petition the PPA for a waiver or change in a regulation, even a temporary one. For Example, I wanted to sell window stickers to start and raise money for a driver relief fund. But it would be against regulations to attach a window sticker on the taxi without approval. I met with the PPA on this and we discussed how I can file a petition, which costs \$170, for a temporary relief from the regulation so the window stickers could be used on taxicabs. Then I was told because I am not a registered member of the industry, and didn't have an account number, I could not file even though I am a certified driver.

**SOLUTION:**

- 1) The PPA has to establish that the 4700 drivers are a member of the industry and can participate in every aspect of the TLD-PPA.
- 2) A staff member recruited from one of the unions in Philadelphia should be employed by the TLD-PPA to work independently on behalf of drivers.
- 3) Regulations should not be finalized until they are rewritten in simple plain language and a handbook is distributed
- 4) In every action by the PPA, a system should be in place to personally notifying every active driver.
- 5) Rewards should be created directly in relation to the penalties for not following the regulations.

**RE: Regulation ID# 126-1 (IRCC# 2885) public comment by Steve Chervenka**

**§1001.23. Other representation prohibited at hearings.**

Comment: A driver should be able to obtain any representation whether it is an attorney or non-attorney. The cost of paying violations and hiring an attorney is often unreasonable and force the driver to go into a payment plan regardless of the merits of the citations.

Solution: The TLC in New York has a process for this where they certify qualified “industry representatives to represent a respondent before the TLC’s tribunal”. Because of this program, drivers can afford to use an industry representative to help them through the legal process. In fact, many New York drivers will go to the New York Taxi Workers Alliance for this members-discounted service.

Source: <http://www.nyc.gov/html/tlc/html/home/home.shtml>,

**§1003.52. TLD staffing generally**

Comment: A position should be created for drivers to go to with problems and issues relating to the working conditions and performance of their job.

## Subpart B. Taxicabs

### §1021.3. Maximum number of taxicab driver's certificates.

(a) *Maximum number established.* Except as provided in section (c) or when necessary in the public interest, the Authority will issue no more than 3000 taxicab driver's certificates

Comment: There is definitely a need here. During this recession, The PPA was certifying many new drivers, and every driver was competing for 1600 cabs to drive in. Many new drivers could not find a cab to drive after paying for PPA certification. Many older career drivers were under the strain of being forced to negotiate costly new contracts to drive a cab. I do not know what the number should be. I ask the TLD-PPA, IRCC, and the SENATE AND HOUSE STANDING COMMITTEE MEMBERS to consider why taxis were limited in the history of this business. Back in the depression, the unemployed who had a car used it to hack, placing a burden on the career drivers. The driver's union lobbied the government to limit the amount of cabs so the real taxi drivers could earn a decent living. Today, the medallion is a property right, and the medallion owners whom do not drive are not in the taxi business, but are in the leasing business. It seems that the measure of success is in the price of the medallion, and not the level of customer satisfaction and the driver's standard of living and working conditions.

### §1021.12. Additional requirements.

(b) Each taxicab driver must provide a weekly average of at least 24 hours of taxicab service for each year the taxicab driver's certificate is issued...

Comment: I would like to suggest that exceptional career certified drivers be given a pass with requirements for renewing a certificate and any regulation stipulating a minimum number of hours be driven and be given a pass on the fee for renewing. An exceptional driver might be someone who has been acknowledged for some extraordinary service, or someone with superior knowledge and work habits, or some other criteria. Again, a system of rewards should be established. I would suggest the above mentioned program be implemented and every driver with at least 5 years of experience be given the opportunity to apply for.

## CHAPTER 1017 VEHICLE AND EQUIPMENT REQUIREMENTS

Comment: Proposed newer vehicle requirements will affect the already diminishing earnings of taxi drivers, and should not be considered at this time.

### §1017.62. Taxicab leases

Comment: I am not sure if the proposed provisions of lease agreements protect the taxi driver. I have been involved in suggesting a standard lease agreement for all taxi drivers. The PPA has a transcript of these meetings and a list of contractual concerns on behalf of the lessee or driver, which was addressed by the distinguished labor lawyer Robert P. Curley. He had looked over lease agreements and a proposed standardized lease agreement of the PPA and noted the terms of the lease agreements and independent contract that drivers are forced to sign does not protect them. The TLD-PPA backed off on implementing a standard lease agreement.



**RE: Regulation ID# 126-1 (IRCC# 2885) public comment by Steve Chervenka**

There are cases of fraud, abuse, and deception investigated by the TLD-PPA on leases and the TLD-PPA, as regulator, should be able to incorporate their knowledge and experience into proposing lease terms that protect the taxi driver.

**§1017.63. Wages, maximum lease amounts and uniform rates**

Comment: What does “upon investigation” mean. The PPA, in their response on the regulatory analysis form, stated that “No scientific data, studies, references are used to justify these regulations”.

We should instigate an independent study here to reform. I am all for a concern and an all out blitz to reform this industry to better the standard of living and driving conditions of the drivers that will improve our service to our passengers.

Additional comments:

While credit card technology has benefited the taxi cab industry, the lack of choice in choosing the technology and service providers has had an adverse affect on driver earning; frankly, a pay cut. How can these regulations address this concern. How can regulations be made that guarantee the best deal for the taxi driver? Why not add a surcharge and automatic 20% gratuity to every transaction?

**CHAPTER 1015 PARTIAL RIGHTS TAXICABS**

Comment: During the last Septa strike, the PPA issued an order allowing partial right taxicabs and limos to work in Philadelphia beyond their rights. This created confusion and resentment because these taxicabs do not operate under the same mandates of the PPA regulations, and these drivers needed more business, not more competition. Therefore, I suggest that the PPA should not have the authority to allow partial right taxicabs flexibility in the regulations.

**CHAPTER 1019 DISPATCHERS**

Comment: I am not sure how to word this and reference relevant regulations. Many drivers feel that the requirements to belong to a dispatching operation are outdated and an unnecessary cost. Many drivers do not use dispatching services but rely on street pickups, cell phone calls from regulars, and airport or train station customers. Any limit on the number of dispatch companies will continue to erode driver’s earnings. In addition, there is a concern about the dispatching operations using calls for taxicab service to bait and switch the service to dispatching for limousine services, both stretch and sedans. The sedans, especially, are operating like taxicabs in the neighborhoods. Another concern is the dispatching services employ driver supervisors to manage the drivers and grow their business, but do not pay them a salary. All of these concerns have a negative impact on the taxicab business and the driver’s income.

Solution: I would suggest a study of these issues with the intent on making decisions to revive the taxicab business for the driver’s standard of living and the publics trust and reliance of taxicab service. There are transcripts of PUC hearings, that show that dispatch operations were intended to be separate from limo/sedan service to give the public a safe and regulated ride in a taxicab, not only in center city but the neighborhoods.

**RE: Regulation ID# 126-1 (IRCC# 2885) public comment by Steve Chervenka**

**CHAPTER 1025 INSURANCE REQUIRED**

Comment: I am not sure how to word this and reference relevant regulations. Drivers need to be covered in auto insurance policies. There are no taxicabs with full coverage because of costs. A fund should be established within the industry to help DOV'S cover the collision costs in an accident.

**Subpart C. Limousines**

Comment: I am not sure how to word this and reference relevant regulations. Taxi companies should not be involved in the limousine business. Sedans should not be issued limousine license plates when used in a company providing taxi services. Through current and past regulations, the riding public in center city *and* neighborhoods, the intent has been on protecting passengers through a certified meter, taxicab, and driver.