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August 18, 2011

Philadelphia Parking Authority
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2011 AUG 19 A 8:58

RE: Pre-comments to PPA Regulations 126-1 Final Form

UTWA would like to submit our pre-comments to the PPA final form #126 and IRRC #2885. While we are impressed with some of the changes in the PPA proposed form, we still have many issues with this final form of regulations. We have concerns that all of our comments were not addressed by the PPA in the regulations final form submitted to IRRC. No one agrees more than us that the taxicab industry must be regulated, but regulated fairly so that all entities may benefit. Lastly, as representatives of the taxicab drivers, it remains a problem that the Authority has not sat down with us about our concerns in this "Advance Final Form" process as with other entities. Our pre-final form comments are as follow:

- **Penalty Schedule should be forwarded to IRRC:** Our primary concerns with the PPA proposed penalty schedule is that it has not been forwarded to the Independent Regulatory Review Commission, thus following the Pennsylvania Document Law. This PPA action will force low income taxi drivers into more litigation and the wasteful spending of taxpayers' money. Presently, the PPA taxicab fines are among the highest in the nation. Furthermore, the PPA is constantly changing the amounts and category for fines. The PPA budget for the taxi industry continues to climb and the PPA has included taxicab fines within the budget. According to Act 94 2004, the PPA can only collect medallion assessment fees, medallion transfers fees, and taxi drivers' certificate fees into their budget, taxicab fines are to be placed into the Taxicab Account.
- **Total disregard to the Lease Cap and other monetary protection for taxicab drivers:** While the PPA can rely on the ACT and exclude this language from the regulations, the PPA does not say how it will enforce this provision. How could the PPA enforce it without a penalty for violating Act 94 regarding the maximum lease cap. There are 5,000 taxi drivers playing musical chairs on 1,600 medallion taxicabs. The numbers do not fit, creating a steep advantage for medallion owners. When there is an atmosphere of 6 drivers per 1 taxicab, drivers become desperate in obtaining a cab to drive. Drivers will be fearful to speak out because they may lose their access to a taxicab. It is vital in this regulated industry for the PPA to protect these low income workers. Medallion owners will argue that the escalating price of medallions, insurance deductibles, and fines should allow them to violate the lease caps. We strongly disagree, Act 94 2004 is very clear in its language. Medallion owners will have a chance to change lease caps during the "new taxi rates" phase. A potential medallion owner should know what the maximum lease caps are prior to buying a medallion. Furthermore, the medallion price value is not a barometer of how healthy and stable the taxi industry is. Like medallion owners, taxi drivers are entitled to a fair return and the PPA must provide some protection within its regulations.

To add insult to injury, it has come to our attention that the Authority intends to remove section 1017.62 (b) that will now allow the transferability of other medallion owners' responsibilities onto taxi drivers. So not only will the medallion owner be able to overcharge taxicab drivers to lease the cab without fearing a penalty, but they can also transfer any other responsibility and risk onto the taxicab driver legally. According to a report release by the Authority, taxicab drivers in Philadelphia are earning below \$5.00 per hour, while the price of a medallion has risen over 500% since the Authority inception. Yet these final form regulations are attempting to further add to the impoverishment of these hard working taxicab drivers. Already taxi drivers are paying for the installation and removal of the GPS equipment, insurance deductible, radio dues, medallion owner fines, and a host of others that are clearly the responsibility of the medallion owner. Because the Authority employs a progressive fine structure in their penalty schedule, this is patently unfair to taxi drivers who lease from the same medallion owner, because again, drivers are forced to pay these fines. If the medallion owner chooses to buy a public right to operate a taxicab, then they should expect some risks and responsibilities as other small businesses do.

- **1019.13 Maximum number of dispatch companies** – Act 94 2004 does not give the PPA the authority to limit the number of dispatch companies. Since the PPA will not limit the number of taxi driver certificates, we make the same argument that the number of dispatch companies should remain as it has over the past 5 years. Currently there are 12 dispatch companies in Philadelphia, each specializing in a certain region of the city. Statue 5713(b) states that the PPA can only issue 1,600 certificates. With the same argument for limiting of taxi drivers certificates, we also make concerning dispatch companies. **Nowhere in the Act can one find a limitation on centralized dispatch companies.** If the Authority chooses to adhere to this provision, then we ask that any application submitted prior to this rule making be grandfathered in.

5721. Centralized dispatcher.

In cities of the first class, all medallion holders shall utilize the services of a centralized dispatch system. Any owner of a centralized dispatch system shall make such system available to all medallion holders for a reasonable fee, as described in a rate schedule to be filed with the authority. The authority, in its discretion, may review the rate schedules of dispatch associations to determine if rates charged discriminate against new applicants. Medallion holders shall utilize only centralized dispatch systems that are in conformance with authority rules and regulations.

Medallion holders shall have no obligation to use any particular centralized dispatch system.

(July 16, 2004, P.L.758, No.94, eff. imd.)

- **1011.7 Moving Violations**– The PPA still have not establish their authority to enforce this provision. Nowhere in Act 94 do the legislators grant the PPA the right to write moving violations, enforce moving violations, or act as a collection agency for moving violations or even parking tickets. In the propose form, the PPA tried to regulate the number of drivers to 3,000 because there are too many drivers, now they are saying that they are checking for moving violations because there is not enough drivers. Furthermore, the PPA will have to spend a significant amount of resources to enforce this provision which will ultimately come from the pockets of low income taxi drivers in order to fulfill the PPA budget. This provision will subject taxicab drivers to double ticketing from both the police department and the Authority. Lastly, the Authority already has a penalty for operating an unsafe taxicab.
- **1011.5 Criminal charges and ARD settlements**– Act 94 is clear when it states that only a conviction of a felony can affect the rights of a taxi driver to work. We stand by our previous comments that charges alone do not make a person guilty. Furthermore, because the PPA court cannot over ride a criminal hearing, how could a person testify 1st at a PPA hearing and expect to defend themselves in a criminal court of law. Again we will stick with our previous comments concerning ARD, which is neither a felony nor a conviction, and should be removed from this

provision. As with the case of Ron Blount, the Authority can simply implement a program to monitor the accused taxicab driver daily to insure the public safety.

- **1017.5 b-22- Requirement of a map in the vehicle**– We still stand by our comments that it should be either the GPS technology or a map. This provision is just another headache for drivers that are trying to earn a living without being fined. It will be virtually impossible to drive a cab in Philadelphia without being subjected to a fine from this enormous penalty schedule. No one can adhere to the many provisions that the Authority seeks to impose. Prior to the installment of the GPS technology, drivers were accustomed to having a map in the vehicles; in fact it was a PUC regulation. However, post GPS, drivers rely on the technology to reach their destinations and maps haven't been required since the PPA inception.
- **1017.23 - 1017.24 subsection (d) (4) GPS/ Credit Card mandate**- The PPA example of New York City is wrong. In New York, the credit card vendor charges 3.5% and the garages charges 1.5%, compared to Philadelphia where the vendor charges 5% and the garages charges another 5% totaling 10%. IRRC asked “what other businesses are charging to process credit cards” and the PPA has failed to answer. Most businesses are paying 1.9% to 2.5% to process a credit card. Prior to the PPA, the industry did pay 10% to the dispatch companies, but it was not mandatory. Our problem with this PPA effort centers on how they implemented the system. The PPA originally entered into a 3 year contract, but because of the problems with the system, the PPA has withheld the last million dollar payment. The contract has been in limbo since 2006. The PPA has made no movement in settling this issue and drivers are stuck paying these outrageous fees. This so called contract can last indefinitely. Both New York and Boston, signed their contracts with the credit card vendors at least a year after Philadelphia, and have since renewed with multiple vendors at better terms for drivers, including the elimination of the cost to install and remove the equipment.. The PPA must either “Go Live” with this current contract or brings in other vendors so that the industry can find better rates. The main function of this system consisted of a “centralized dispatch system” which has been a total failure. We request that the PPA not ignore this obligation from the vendor. This feature will enhance the ability to earn a living for taxi drivers. According to “Sule vs. PPA”, the Commonwealth court hinted that the PPA cannot issue an executive order to mandate drivers to accept credit cards. The court hinted that it has to be a regulation promulgated by IRRC. If the Authority stand by its position with this contract and refuse to allow other vendors into the industry, then we are requesting that the whole contract be promulgated according to the Document Law.
- **Taxicab Drivers certificates renewed annually** – Since the PPA has used both the PUC and New York TLC regulations as examples throughout their final form explanations, we will as well. Both the New York TLC and Pennsylvania PUC require taxicab drivers to renew their certificates every 2 years. PennDot can simply send a notice to the Authority in the event that the taxi drivers driving privilege has been suspended. We request that the PPA continue to model their regulations after the PUC and New York TLC by extending certificate renewals to 2 years.
- **Mileage Limitations on Taxicabs** – The PPA final form contains mileage restrictions on taxicabs. As you know, Act 94 is clear that the age of a Philadelphia taxicab shall be no more than 8 years. The Act doesn't grant the PPA the authority to restrict the mileage on the vehicle. The PPA must seek legislative changes to the Act in order to enforce this provision.