

3103

**Kathy Cooper**

---

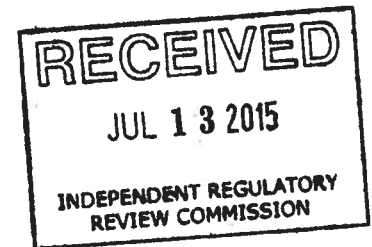
**From:** EKJohnson@aol.com  
**Sent:** Monday, July 13, 2015 3:05 PM  
**To:** IRRC  
**Cc:** jney@philapark.org; Dweldon@philpark.org; wschmidt@philapark.org; fjberenato@aol.com  
**Subject:** IRRC Comments Proposed Regulation No. 126.11

**PPB Cab Company  
649 Niblick Lane  
Wallingford, PA 19086  
(703) 403-2155**

Via Electronic Mail

July 12, 2015

Independent Regulatory Review Commission  
333 Market Street  
14<sup>th</sup> Floor  
Harrisburg, PA 17101



RE: Proposed Regulation No. 126-11

Ladies and Gentlemen of the Commission:

Our family represents one of the oldest taxi cab companies in Philadelphia. For three generations we have operated a few cabs in Philadelphia. We have provided jobs, obeyed the law and worked hard to make a living in a business that is measured in meter clicks. After all of these years my elderly parent at 87 years old expected to retire. That is no longer the case. I operate our company at no cost to our parent. There is no money to pay a salary. Here's why:

In the past two years we have experienced a sea change of opportunity in the Philadelphia taxi cab industry. Despite being good citizens both from a regulatory and business perspective both our family and our lessees are suffering. While we were operating in good faith, Uber, Lyft, and other similarly situated entities entered the Philadelphia marketplace illegally. At this moment they operate with impunity while legitimate operators are saving to pay regulatory assessments.

Regulators and medallion owners alike were caught flat footed by these illegal operators. We are deluged with transient drivers with a set of keys and a smartphone app running rampant within the city of Philadelphia. These scofflaws are stealing from law abiding drivers and medallion owners daily. Uber celebrated its one millionth cab ride in Philadelphia since October. That is a great deal of theft from law abiding citizens. *Who says crime does not pay?*

As a result of illegal operators like Uber, taxi cab revenue is down 25% in Philadelphia. Drivers who typically operate medallion cabs are forced to work extra shifts – seven days a week. They take on extra drivers in order to make ends meet. Hack drivers like Uber flood the market place during busy periods to steal business from professional licensed drivers. They have “surge pricing” that gouge customers during peak periods.

Legitimate drivers must work on the meter at all times. Uber can charge \$150.00 to get to the airport during busy travel times. Legitimate drivers must only charge \$28.50 for the very same fare. It is the law, and we abide by it. Uber does not.

With the latest set of regulatory initiatives medallion cabs would face yet another barrier to profitability and sustainability. Forcing the industry to transition to 100% handicap accessible vehicles is not an economically viable option for taxi cabs. The expense of a \$40,000.00 vehicle is simply not affordable. **Mandating WAV vehicles would be financially crushing.** Medallion owners whose lease rates are regulated can not survive under this edict. When taxes, insurance (up 28% this year), regulatory assessments and legal fees are factored in a medallion earns a few thousand dollars a year. That assumes that there are no installment payments on the medallions themselves. Adding a monthly vehicle payment, not to mention increased fuel and insurance costs would put medallion owners in the red. Under the weight of increased fuel costs drivers would walk away. Cab drivers have bills just like you. They need to make a living... just like you.

To add a mandatory requirement of handicap accessible vehicles would place legal operators at a loss and a competitive disadvantage. Simply stated it would create less business for taxi cabs. While the idea of WAV vehicles seems noble on its face, it is not caring for a significant percentage of the riding public. The population of wheelchair accessible cab users is comparatively small. **Methods to address the needs of handicapped citizens are already in place. At this time 150 new WAV vehicles are being placed into service.**

WAV vehicles require an inordinate amount of repair to keep them operable. This is time out of service. The average taxi patron does not like to utilize such vehicles. They are difficult to access for most patrons upon entry and exit. They are cumbersome in terms of loading clients with baggage and other possessions. They are noisy and emit more emissions than the average cab. They cost more to insure. Generally speaking these vehicles are not in demand. By requiring vehicles the general public does not like, the PPA is inadvertently providing another incentive for the cab riding public to use alternate, illegal providers of taxi services like Uber and Lyft. These illegal providers can utilize any type of vehicle they wish. Users of illegal carriers can stipulate their requirements for any type of vehicle. This is another disadvantage for legal operators in Philadelphia.

Some like to point to the value of medallions as an excuse to place additional burdens on the industry. The value of medallions has plummeted and viable buyers no longer exist. Lenders have vacated the market. People who invested their entire lives into a medallion (much like buying a house), have seen that investment devalue dramatically. The PPA itself has recently retrenched the price of opening bids for WAV medallions. What was previously an opening bid of \$375,000.00 was reduced to an opening bid of \$80,000.00. Even at that price there were very few buyers. The reason is plain: The riding public of Philadelphia does not support this specialized type of transportation. Other cities subsidize this mode of transport. Philadelphia does not.

It is important to remember that the majority of taxi cab owners are small businesses. In our case we are a small women owned business. These are tiny mom and pop organizations that struggle to make a living. They are micro-companies that are federally protected by the Small Business Administration. They should not be regulated to the extent that they are placed out of business.

A respected member of the PPA told me that we have entered the "perfect storm". Medallion values have decreased, operating costs are up, illegal competitors run rampant, and regulations like the subject WAV requirement are ever increasing. We are losing all that we have worked for. Is the commission willing to contribute to the destruction of an industry in favor of regulatory constraints and unlawful operators? I pray not.

We respectfully and urgently request that the IRRC deny the proposed regulation No. 126-11.

Sincerely,

Ellen K. Johnson  
PPB Cab

Cc: James Ney, Director, PPA TLD  
Dennis Weldon, General Counsel, PPA