

From: Danielle Friedman, Esq. on behalf of Pennsylvania Taxi Association

To: Philadelphia Parking Authority

February 22, 2012

**Re: Fiscal Year 2013 TLD Budget and Fee Schedule**

I am writing to take issue with the PPA's proposed increase in medallion transfer fees and annual medallion fees. Pennsylvania Taxi Association ("PTA") represents over 1,000 Philadelphia taxicab medallions. PTA works with medallion owners and drivers on a daily basis, and understands the needs and concerns of the industry. At a time when the entire nation is tightening its belt, the Philadelphia Parking Authority ("PPA") is sprawling fiscally. In 2005, under the Pennsylvania Utility Commission ("PUC"), the entire budget to regulate medallions in Philadelphia was \$1 million. Now for 2013, the PPA's proposed budget is almost \$6 million, yet taxicab drivers and medallion owners are not provided with improved service or efficiency. The ratio of management-level employees to regular employees at the PPA is 6 to 32. In addition, the PPA overspent on legal fees in numerous, unnecessary court cases trying to escape the authority of the Commonwealth Documents Law. It is wrong and unfair for the PPA to pass on these expenses to medallion owners. At a time when the PPA is already asking medallion owners to increase costs by implementing wheelchair accessible vehicles, it is outrageous that the PPA is proposing to dramatically increase fees.

Currently, medallion transfer fees are \$2,000.00 or 2% of the sales price, whichever is greater. The proposal of increasing this fee to \$5,000.00 or 5% of the sales price, whichever is greater, is outrageous, especially given rising medallion prices. As of now, PPA makes almost \$8,000.00 on every medallion transfer, already an exorbitant amount, and if medallion prices continue to increase, the PPA would earn at least two-and-a-half times that, or almost \$20,000.00. The transfer fee is supposed to be a processing fee; however it feels like a tax, penalizing medallions buyers with excessive fees. Such fees make transferring a medallion prohibitively expensive. If the PPA approves this increase, it is reasonable to assume that transfers would come to a halt.

Such an increase in fees is unreasonable given that the PPA already increased medallion transfer fees two years ago. Medallion owners are still coping with this change, and to increase fees by 150% will disrupt the entire industry. In addition, the PPA's current and proposed transfer fees are in no way comparable to other cities that have medallion taxicabs, further demonstrating the outrageous cost of the PPA's proposal. In New York, the transfer fees are anywhere from \$435.00 to \$710.00. In Boston and Miami, transfer fees are merely \$250.00 and \$200.00, respectively. Under the PUC, transfer fees were \$350.00. These numbers truly demonstrate how excessive the PPA's fees already are and how ridiculous an increase in these fees is. If anything, the PPA

should roll back transfer fees to make medallion sales in Philadelphia competitive with other markets.

In addition, it is excessive and unnecessary to increase annual medallion fees by 20%, from \$1,250.00 to \$1,500.00 per medallion. Under the PUC, medallion fees were only \$500.00 annually. Medallion owners will have no choice but to increase leases to drivers. In turn, drivers will demand fare increases and these costs will be passed on to the public. This increase is unfair to all parties involved and will ultimately decrease ridership.

The PPA should not approve these proposed fees. When the entire taxicab industry is still struggling to recover from the economic downturn, the PPA is living beyond its means, and medallion owners should not have to pay for these excesses.