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Jeff Hornstein, Executive Director

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Dear Mr. Ney:

The Greater Philadelphia Taxi Association (GPhlTA), a 501c6 trade association representing the interests of taxicab medallion owners and operators, dispatchers, taxi companies, and allied industries in Philadelphia, respectfully submits these comments to the Philadelphia Parking Authority's Taxi and Limousine Division on its recently proposed Fiscal Year 2013 Budget and Fees.

First, GPhlTA cannot help but notice that there are exorbitant fee increases in virtually every category related to medallion taxicabs. Medallion owners and dispatchers will see a 20% increase in fees from 2012, from \$1,250 to \$1,500 per medallion, and from \$2,500 to \$3,000 per certificate, respectively. This is especially confusing considering that the number of dispatch companies has increased in recent years. How can the increase for dispatchers be justified?

Second, the medallion transfer fee will rise by an astronomical 150%, from \$2,000 to \$5,000 or 5%, whichever is greater. In a few short years, fees have gone from \$750 or 1% of sales price to \$2,000 or 2% of the prices. Now TLD is proposing to more than double the transfer fee, while medallion prices have risen dramatically. Yet the closing process has dragged from 6 months to a year. In our opinion, the only possible justification for any increase in transfer fees must be contingent on a major improvement in the closing process. Thus we would propose no more than an increase to 3% but only if return for guaranteed transfer time of no more than 60 days.

Third, we also note that while fees for partial rights cabs will stay at 2012 rates of \$1,500, strangely the revenue projected from partial cab assessments increases from \$5,000 in 2012 to \$150,000 in 2013. If this is not a typo, does the TLD think that this incredible increase in revenues is remotely realistic? If it is not, how does TLD propose to fill the gap?

More generally, we must ask for the rationale behind such massive fee increases. Have costs at the PPA gone up commensurately? We need to see some justification for these cost increases: How will this additional revenue improve the Philadelphia taxi industry?

Fourth, we are severely disappointed by the TLD's attempt to incentivize the adoption of Wheelchair Accessible taxicabs (WAVs). As proposed, the first 30 WAV taxis to register will pay NO medallion assessment for 2013. Why is this restricted to only 30 WAVs, when the PPA has publicly committed to putting 300 WAVs taxis on the street by 2013? We would ask the PPA to waive all 300 assessment fees for at least one year on all medallions converted to WAV taxis.

Similarly, if the PPA is serious about incentivizing adoption of hybrid or other types of fuel-efficient taxicabs, we believe it must do better than merely cutting inspection fees from \$50 to \$100. We believe that the PPA should also reduce or eliminate medallion assessments for medallions converted to hybrid or other fuel-efficient taxis.

And finally, we must comment on the "Report on the Hospitality Initiative," appended to the budget document. This paragraph in particular stands out:

The [VTS] Meter System has been installed in all medallion taxicabs and in the facilities of each dispatcher for over 6 years. Given the cutting edge technological nature of the Meter System it experienced relatively few problems upon installation and has functioned properly for several years. Members of the traveling public have embraced the credit card payment options, automatic availability of receipts, and rear seat payment options. The Meter System is a powerful regulatory tool as well, permitting the Authority to track taxicab routes, which discourages rate gouging and enables the Authority to find items left behind in taxicabs by passengers. The Meter System also has an emergency distress button to assist drivers and has a function that requires each driver to swipe his or her Authority issued driver identification card to enable the system; this function deters the operation of taxicabs by uncertified persons.

While we would concur that the introduction of credit cards has been a net benefit to the industry and the riding public, and that the system serves as an important regulatory tool for the PPA, it is interesting to note that the PPA fails to comment on its usefulness as a dispatching system. Numerous industry leaders have expressed dissatisfaction with the VTS system in this regard, and we believe the VTS experience has been a failure when view from the point of view of dispatching. Others have commented on the inadequacy of the emergency distress feature, particularly the 20-minute time delay. In light of the preponderance of negative sentiment expressed by industry leaders in recent years, we find it astounding that the TLD would portray the Hospitality Initiative in such a positive light.

Perhaps most disturbingly, it appears from reading this document that the extension of the VTS agreement is a *fait accompli*, a surprising departure from the way this has been presented at recent Board meetings. Does the Authority intend to unilaterally extend the agreement with VTS for another year and require “the Authority’s contractor to install brand new meters in all medallion taxicabs in the next several months at no cost to taxicab owners”?

In the practical work-a-day world of the taxi industry, we know what this will mean: It will take months for the reinstallation of 1,600 new sets of equipment in every medallion taxi, cars will be out of service during installation, and when the agreement with VTS ends in June 2013, many dispatchers and owners will be saddled with equipment they don't want and will then have to pay to replace, going through the whole process once again. Will the PPA make owners, drivers, and dispatchers whole for the costs incurred? We urge the PPA strongly to implement technology choice immediately and not to continue to lock the industry into a single-vendor relationship.

Our Association’s members look forward to your response and to a productive dialogue aimed at building a relationship of mutual respect. Since budgets represent an organization’s priorities, we hope that our comments will be taken into account.

Sincerely,



Jeff Hornstein
Executive Director