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Comments of the Greater Philadelphia Taxi Association on the Request for Information and Comment from the Taxicab & Limousine Division of the Philadelphia Parking Authority Concerning Pennsylvania Act 119 of 2012

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 in response to its Request for Information and Comment concerning Pennsylvania Act 119 of 2012.

As we have stated previously, GPhlTA believes that HB 2390, the legislation that became Act 119, represents a flawed approach to creating a robust and reliable Wheelchair Accessible Vehicle (WAV) taxi system for Philadelphia. We believe that the Act's provision for an auction of 15 WAV-only medallions annually for 10 years will lead to a system that is too small and ineffective in its early, critical years. Since to our knowledge no serious study of market demand for WAVs in Philadelphia has been undertaken, in our opinion it would have been wiser to err on the side of robustness to ensure that demand is met expeditiously: if the system launches ineffectually and gains a reputation for unreliability, its failure could easily become a self-fulfilling prophecy. (In fact, NYC is currently experiencing this problem at this moment, largely due to ill-conceived and self-defeating regulations.) In sum, we remain firmly convinced that a WAV taxi system that deploys fewer than 50 WAVs at inception risks failure.

Nevertheless, our members – leaders in voluntary deployment of WAV taxis – intend to work cooperatively with the PPA's Taxi & Limousine Division to build as robust a system as possible under the provisions of Act 119. Our members have operated WAV taxis in other markets and their experiences may be instructive. In that spirit, we raise the following questions and concerns.

1. How will the PPA determine the appropriate mechanism for allotting wheelchair-only medallions?

Act 119 appears to give the PPA some flexibility as to how many medallions are auctioned and when the auctions take place. For the reasons enumerated above, we recommend the PPA auction at least 50 medallions in the initial offering. In any case, since no study of demand for WAV taxi service was done prior to the passage of Act 119, and since the experience of GPhlTA members actually running WAV taxis indicates strong demand,¹ we implore the PPA to continually evaluate demand and make necessary adjustments to medallion supply.

2. How will the PPA induce drivers to transport wheelchair-bound passengers?

Under Act 119's provision that WAV taxi service must be offered at the same uniform rate as other call or demand taxi service, when we ask a driver to service wheelchair-bound passengers, we ask him to put himself in a somewhat financially disadvantageous position. Even when adroitly performed by a trained driver using state-of-the-art equipment, it requires

¹ During the period January-April 2012, with only 2 WAV taxis in service, Freedom Taxi LLC logged 236 wheelchair fares from more than 75 discrete customers.

significantly more time to load and unload a wheelchair-bound passenger than a passenger not in a wheelchair. Thus the driver who caters to wheelchair-bound passengers is likely to complete fewer trips in a given period of time than the driver who does not.

Additionally it is current practice for a driver to start the meter when the passenger is settled in the vehicle and has instructed the driver as to her destination, and to stop the meter when the vehicle stops to discharge passengers. In the case of a passenger who is in a wheelchair, there will be significant and time-consuming tasks for the driver to perform before the passenger is settled into the vehicle and after the vehicle stops at discharge.

Since all of Philadelphia's medallion taxis are operated by independent contractors, it will be difficult to require any one of them to drive a WAV taxi or, absent regulation, to service wheelchair-bound passengers. We understand that in some cities, there are significant numbers of WAV taxis sitting idle on any given day, ostensibly because drivers feel they cannot make a living transporting wheelchair-bound customers. It is a major hurdle to be overcome, in our opinion.

Other cities have experimented with various incentives and penalties to induce drivers to operate WAV taxis and serve wheelchair-bound passengers. Incentives for drivers could include: "deadhead" subsidies paid for the mileage driven from the moment a driver accepts a wheelchair taxi call to the moment he makes the actual pickup; a flat cash bonus per wheelchair trip; a cash bonus to each driver who performs more than a certain number of wheelchair pickups per week or month; allowing each WAV taxi to by-pass the taxi line once per shift at the airport or 30th Street Station to offset the loading and unloading time associated with providing accessible service; a significant bonus, perhaps even a free medallion, offered to the driver who performs the most wheelchair pickups in a year.

Most of these incentives cost money and proceeds from the annual auction should cover most of these costs; the PPA would need to figure out how to finance them in the long run without imposing an onerous burden on medallion owners. Without accurate data about demand, we cannot predict the costs associated with any particular incentive. (Again, this is one of many reasons that we advocate a more substantial initial medallion auction, to generate revenue that can be used for this purpose.)

Punitive measures could include a requirement, backed by financial penalties, that each dispatch association that services WAV taxis book a certain number of wheelchair pickups per week or month; that each medallion or fleet owner that operates one or more WAV taxis be required to perform a specified number of wheelchair fares per day or week or month; that a driver of a WAV taxi be required to pick up a certain number of wheelchair fares per day or week or month.

3. How will the PPA ensure that only state-of-the-art WAV Taxis are used in Philadelphia?²

Act 119 defines a wheelchair accessible taxi as a vehicle "that can accommodate at least one person in a wheelchair without the person having to transfer from the wheelchair to another

² This section was authored by Mark Longo, an accredited Mobility Consultant by the National Mobility Equipment Dealers Association (NMEDA) who works with the Taxi and Livery Industry exclusively.

seat” and “meets requirements established pursuant to the Americans With Disabilities Act” or “requirements that are a functional equivalent and approved by the authority, or both.”

While GPhlTA appreciates the flexibility provided by this Act, giving operators the freedom to choose between various side- and rear-entry vehicles available on the market today that meet ADA standards, we believe the language of the Act may err on the side of permissiveness. We are aware of problems in other cities that have stemmed from giving operators too much latitude to determine vehicle standards.

GPhlTA believes that the language should be amended as follows: “The term ‘accessible taxicab’ shall refer to a taxicab that complies with federal regulations promulgated pursuant to the Americans with Disabilities Act applicable to vans under 22 feet in length and that seats less than 8 persons, by the federal Department of Transportation, in Code of Federal Regulations, title 49, parts 37 and 38, and by the federal Architectural and Transportation Barriers Compliance Board, in Code of Federal Regulations, title 36, sections 1192.23 et seq., and the Federal Motor Vehicle Safety Standards, Code of Federal Regulations, title 49, part 571.”

The PPA should require that each manufacturer offering an OEM chassis with an integrated mobility accessible system, being either new or used, has the endorsement and approval from that OEM manufacturer, in writing.

If the vehicle is an OEM chassis that offers an integrated mobility accessible system that is not indigenous to the vehicle chassis, it should meet the following FMVSS standards:

- FMVSS 301: Fuel System Integrity
- FMVSS 214: Side Impact Protection and Side Door Strength
- FMVSS 207: Seat Anchorage
- FMVSS 210: Seat Belt Anchorage
- FMVSS 208: Occupant Frontal Crash Protection – Side entry vehicles where a passenger rides in the front passenger position.

These standards all are required for any new vehicle sold in the US. The PPA should note that any used vehicle converted is not required to meet these standards. As such, the PPA should not only approve conversions by vehicle models and types but also certify the manufacturers as well. This will ensure that any used vehicle with either a new or used conversion will meet the same standards of any inaccessible used vehicle that enters service as a taxi in Philadelphia.

GPhlTA recommends that each manufacturer and/or direct retailer issue a written certification that their vehicles meet said standards with reference to any/all local statutes covering them.

New York City is the only city in which this is done. Boston and Chicago, for example, do not have this standard. The PPA has to realize that by not doing so; they make themselves liable to results of any injury that may occur in a substandard vehicle. The law in Massachusetts is being changed (House Bill H3304) to correct this.

Whether the vehicle is new or used, this will ensure the basic safety of the riding public.

4. How will the PPA educate customers about the availability of WAV taxis and how will customer satisfaction be ensured?

GPhlTA believes strongly that the WAV taxi system will fail if the public is not sufficiently educated about its existence. We believe that the PPA ought to hire a competent PR firm to produce Public Service Announcements on cable TV and radio, advertisements in major media including social media, static media in the airport and bus and train station, op-eds in the newspapers, articles in relevant trade publications and professional newsletters and so forth. The campaign should reach a number of different audiences: the hospitality industry via the Greater Philadelphia Tourism and Marketing Corporation, Philadelphia Convention and Visitors Bureau, Independence Visitors Center, and the Greater Philadelphia Hotel Association; the business community via Center City District, Old City District, South Street Headhouse District, and the Chamber of Commerce; the disability rights community via Liberty Resources, United Spinal Association, Easter Seals, and Variety Club; the transportation industry via the management of Philadelphia International Airport, Amtrak, Greyhound, SEPTA, and NJ Transit; the professional and collegiate sports teams; the universities; and the public at large.

Whether the PPA chooses to implement a centralized dispatch system or not, it ought to establish a dedicated complaint line and website for wheelchair accessible taxi issues and install at least 2 advocates from the disability rights community on the Consumer Advisory Board (and ensure that such meets regularly). The PPA must have a continual feedback loop if this program is to succeed.

5. How will the PPA ensure that drivers of WAV Taxis are well-trained?

GPhlTA was pleased to see that Act 119 provides for two incentives for drivers to obtain training: a \$50 per day stipend to offset income losses, and a waiver of annual taxicab driver registration fee for certificated drivers. The Act also provides funding for these provisions as well as the establishment of a training program.

GPhlTA believes that the success or failure of the WAV taxi system rests, in large measure, on the quality of driver training. From experience in other cities that have implemented WAV programs, we know that successful implementation requires that drivers be trained in both the technical aspects of service provision as well as cultural awareness. We estimate that adequate training would require between 8 and 16 hours; for the sake of this estimation, we shall posit 12 hours of training, or 1.5 days. We also believe that the \$50 stipend is too low, and that \$100 would be a more reasonable level of compensation to ensure participation.

We recommend a robust program of classroom instruction provided by experienced vendors, such as Easter Seals or United Spinal Association in partnership with respected local partners such as Liberty Resources. At minimum, the course shall include instruction on how to operate the WAV taxi's ramp, securement devices, seat belt and shoulder harnesses and other required equipment of the wheelchair accessible vehicle; how to inspect and determine if the required equipment is in proper working condition; and protocols for accepting and discharging disabled passengers. Based on our conversations with advocates in the disability rights community, we also highly recommend "cultural sensitivity" or "awareness" training to ensure that drivers are comfortable with the responsibility of transporting and interacting with disabled citizens.

GPhlTA also feels strongly that the PPA should require that every medallion or fleet owner that owns a WAV taxi provide a list of at least 2 certificated drivers per vehicle on a regular – weekly or monthly – basis, to ensure that there are adequate numbers of certificated drivers to operate vehicles.

6. How will the PPA ensure that dispatch of WAV taxis is handled efficiently and that customers get quality and reliable service?

Perhaps the thorniest problem facing the PPA is the matter of dispatch coordination. If a person in a wheelchair cannot be assured that a WAV taxi will reach her expeditiously and take her from Point A to Point B safely and predictably, the entire system will fail.

Different approaches have been tried throughout the country. On the one hand, there is what might be called the “laissez-faire” model, employed for many years in San Francisco and Boston. Each dispatch association that has WAV taxis gets the word out to the public, each customer chooses which company to call, and loyalty accrues to the companies that provide the best service.

On the opposite end of the spectrum is the centralized model employed in New York City. There, all WAV taxis are dispatched via a single call center: a passenger calls a single number or uses a web-base app, the call center’s software identifies the closest WAV taxi to the caller, the call is issued to that cab directly from the call center, and the driver has 2 minutes to reply or a substantial fine is levied against him.

In both cases, the regulators keep careful track of how efficiently wheelchair passengers are accommodated, how quick or slow the response time of drivers, how many WAV taxi trips are taken in a given time period, and so forth. Even under San Francisco’s decentralized system, there is a requirement that each WAV taxi make at least 8 pickups of wheelchair passengers per month.

In GPhlTA’s view, the most important question is from the point of view of the customer: How will she get a taxi to her doorstep? Will it be via a single point of contact such as a centralized phone number, website, or mobile device application, with regulations mandating a particular set of standards? Or will it be via the trial and error of individuals building a relationship with a particular dispatch company or companies?

Unless the PPA requires every one of its 14 certified dispatch associations to affiliate a certain number of WAVs or every fleet owner to deploy a certain number proportional to size, as they have in Chicago and Los Angeles, there will likely be only 2 or 3 “players” in the WAV taxi market. Therefore, GPhlTA believes that it probably makes the most sense to deploy a system that allows customers to choose a preferred service, but with enforceable rules about quality of service, perhaps including disincentives for substandard service.

This means that the PPA will need adequate technological capability to be able to know how many WAV taxis are in service at any moment with a qualified driver behind the wheel; to track every WAV taxi’s location at all times; to know how long wheelchair customers waited for service; to log complaints; and generally, to analyze if supply is meeting demand and if service quality is sufficient. Of course this must be accomplished within the post-June 2013 regime of technology choice, meaning that companies will need to integrate with whatever

system the PPA chooses to use. Based on the experience of other markets, where at least one major vendor has refused to allow back-end access, this may present a considerable challenge.

We recommend that the PPA put out an RFP for a sophisticated tracking system, at the very least, and that it issue publicly-available monthly or quarterly reports on the performance of the system. We further recommend that the PPA set a standard for the minimum number of wheelchair pickups per WAV taxi on a weekly or monthly basis.

7. How can the PPA work to expand the scope of service to include Philadelphia's extensive low-income disabled community?

In other cities such as NYC and Chicago, regulators have incorporated existing subsidy programs into the WAV taxi system. In NYC, the city's Access-a-Ride card can be used for WAV taxis. In Chicago, a partnership between taxi regulators and the paratransit system created the Taxi Access Program (TAP), which gives certified ADA customers the option of purchasing heavily subsidized taxi trips as an alternative to the shared ride system. This gives moderate-income passengers flexibility and the dignity of being able to choose taxi service.

GPhlTA recommends that the PPA begin discussions with disability advocacy organizations, SEPTA, the City of Philadelphia, and other relevant agencies about implementing such a program.

8. What else can the PPA do to encourage medallion owners to provide accessible service?

We believe that the PPA should consider some or all of the following incentives to encourage the implementation of accessible services, as an inducement to buy wheelchair-only medallions:

- Waiving or modifying the maximum mileage requirement for WAVs to allow owners to amortize the cost of these more expensive vehicles over more miles;
- Allowing WAV taxis to remain in service longer than non-WAV taxis and allowing older vehicles to be put in service, as is done in LA;
- Lowering or eliminating the PPA's assessment on medallions attached to WAVs; eg., Chicago provides a 20% annual discount for WAV taxi medallion assessments;
- Providing zero or below-market-rate interest loans for WAVs;
- Subsidizing collision insurance for WAVs;

9. What is the cost of implementing Act 119 to the industry?

The Commonwealth's regulatory review process requires a fiscal assessment. Without analysis of demand it is difficult to provide even rough estimates in some areas. Since Act 119 provides a limited free-market approach to providing WAV taxi service rather than

imposing a mandate, many of the costs will be borne by willing participants. Yet some of these should be considered.

- **Cost of Vehicles:** range from \$45,000 for an MV-1 to \$15,000 for a Sienna conversion (exclusive of the price of the chassis, which can run from \$15,000 to \$30,000).
- **Cost of Collision Insurance:** Taxi owners currently do not purchase collision insurance, rather self-insuring the potential loss of vehicles with relatively low acquisition costs. Cab owners, particularly drivers and those not owned by fleets cannot take on the exposure of losing a \$45,000 asset. Using an estimate found in comments to IRRC that the cost of collision insurance is about 4% of the cost of the vehicle, and assuming a \$9,000 deductible, the cost of insurance per WAV vehicle is about \$1,440 per year $(\$45,000 - \$9,000) \times 4\%$.
- **Cost of Training:** We estimate that adequate training would require between 8 and 16 hours; for the sake of this estimation, we shall posit 12 hours of training, or 1.5 days. Let us assume that a driver's daily net income is about \$100, that we need to train 30 drivers a year to ensure enough certificated drivers to handle all shifts for 15 WAVs per year, and that we need to pay a trainer \$75,000 per year. Costs for compensating drivers at \$100 a day would be \$4,500 per year, adding the cost of the trainer brings the total to about \$75,500 per year.

Concluding Remarks

While GPhlTA restates its belief that a more extensive initial auction of 50 or 100 wheelchair-only medallions would best serve the public and the industry by creating a more robust system in its critical early stages, it is eager to work with the PPA to launch an effective and reliable WAV taxi system. We urge it to create a continuous feedback loop with all stakeholders – in the industry, the disabled community, the hospitality and tourism industries – to ensure that all parties are heard. We ask that the PPA remain open to suggestion and that it utilize the flexibility written into Act 119 to continually evaluate and, if need be, enhance the system.

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