



Unified Taxi Workers Alliance of Pennsylvania

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Charles Milstein
Assistant to the Director
Philadelphia Parking Authority
Taxi and Limousine Division
2415 S. Swanson Street
Philadelphia, Pa. 19148

Re: Comments for PPA-TLD Budget FY 2012-2013

Greetings Mr. Milstein;

We appreciate that taxicab drivers certificate renewal cost as well as inspection of vehicles cost have remained the same over the past two budgetary cycles. The PPA appears to be sensitive to those that are least able to fund this budget. We understand that according to Act 94 2004, that the PPA Taxi and Limo Division is to be funded by the taxi industry itself along with a surcharge on parking tickets. However, while this proposed budget does not directly impact taxi drivers, it will indirectly affect both drivers and the public at large. Moreover, while all governmental agencies and the private sector as well are remaining stagnant on their operating costs, the PPA-TLD continues to bloat their expenses. The taxi industry profit margins are razor thin and the average medallion owner can only recoup their profit when they exit the industry. Drivers on the other hand, enter and leave the industry penniless, in poor health, and in most cases, with broken families. This whole budgetary process of the PPA has been the victim of many complaints, primarily because it has been a sham. The public is offered a chance to submit comments and attend a public hearing, but there is no meaningful consideration of these opinions. The PPA Board votes immediately after the end of the public meeting to approve the budget. The budget is then sent to the Pennsylvania legislators in Harrisburg while they are out of session. If this did not have such a crippling affect on the taxi industry, it would be hilarious. Regardless that our efforts are being sent to deaf ears, we wish to submit the following comments concerning this proposed budget:

Violations Fines and Penalties \$226,500- According to ACT 94 2004 and PPA comments to IRRC; violations, fines, and penalties are to be placed into the Taxicab Fund. Again the PPA has placed these items into their budget. This creates an incentive and even pressure on the PPA to write more citations. The PPA must remove this line from the proposed budget or emphasize that these monies will be directed into the Fund. Furthermore, the PPA has not given an accounting of the monies remaining in the Taxicab Fund; this should be added into the budget. The taxi industry has a right to transparency.

Medallion and Limousine Company Transfer Fees - \$670,000 - Individual Medallion or CPC Ownership Transfer Fee - \$5,000 or 5% of purchase price, whichever is greater:

The price of a taxicab medallion in Philadelphia is currently exchanging for \$400,000.00. A 5% transfer fee would be \$20,000.00. Presently, at least 20 medallions are sold per month times 12 months, would give the PPA a profit of \$4.8 million dollars during this budget cycle. The PPA has moved beyond the position of a regulator into a majority business partnership arrangement. We can find no better way to describe this action than “raping the industry”. In New York City where the medallion price is 250% higher than in Philadelphia, has a medallion transfer fee of \$750.00. Boston also has a higher medallion value and has a transfer fee that is under \$200.00. This \$20,000.00 transfer fee that the PPA proposes is more than a taxicab driver earns annually. The PPA has raised this transfer fee in each of its budget besides one and from the looks of it, will continue to do so. The PPA has not raised this cost to enhance the taxi industry. Worse, it has raised this cost to build their infrastructure. Medallion owners will have no choice but to increase rental rates to taxi drivers. Drivers will have no choice but to request a meter increase and ridership among the public will diminish. The PPA has estimated in this proposed budget, transfer fees will bring in about \$670K. According to past medallion sales, the PPA can still reach this number at the current 2% transfer fee.

New Car & Replacement Vehicle Transfers- \$200

Taxi drivers actually own 70% of the vehicles used as taxicabs in the city of Philadelphia. Regardless that the PPA testified to IRRC that Driver Owned Vehicle (DOV) leasing arrangements do not exist, the reality is that it makes up most of the market. For these hard working people, who earn less than \$5.00 per hour, \$200.00 is a lot of money to pay when they want to do the right thing. Drivers feel as if they are being punished to provide better service to the public. The drivers not only have to pay to buy a vehicle, paint it, buy decals, pay to transfer the partition shield and radio, pay VTS to transfer the GPS/Credit Card equipment, but also the PPA to remove 2 screws and transfer this piece of metal to another vehicle. How much overhead cost could the PPA incur from doing this? The PPA has created an atmosphere where drivers will keep the vehicle on the streets until the last second before switching them out. This is in stark contrast of the PPA mission to provide better service to the city of Philadelphia. We recommend that the PPA reduce this cost to the cost of an ordinary taxi inspection of \$75.00.

Medallion Assessment Fees \$1,500

Under the PUC, the medallion assessment cost was \$500.00 and was subsidized by the Medallion Fund. Since the PPA takeover, these costs continue to escalate, rising from \$1,000 to now \$1,500 plus \$18 per month for the GPS/Credit Card hookup. Traditionally when medallion owners incur an added expense, it is transferred to the drivers. We see no end to this pattern when there are 5,000 drivers playing musical chairs on 1,600 medallion taxicabs. The PPA has no way of preventing medallion owners from passing to drivers the added cost of fines, fees, insurance surcharges, or any other expense. When there are 4 to 5 drivers standing in line to take your place, who could say no to this exploitation. We request that the PPA keep the medallion assessment fees at the 2011 levels.

Court cost increase to \$75.00

If a driver is found liable in an appeal hearing, he or she has to pay the fine. The average PPA fine is about \$350.00. The payment of this fine should be more than enough to cover the cost of the hearing since the PPA usually holds multiple hearings during the day. This increase to the cost of a hearing deters drivers from seeking justice. For an ordinary parking ticket, the public can ask for an appeal hearing without paying a dime. As stated before, taxi industry fines are not part of the PPA budget and increasing the hearing fee only discourages drivers to stand up for themselves. Many drivers will just pay the fine regardless that they believe that they are innocent. We recommend that the hearing cost remain at \$50.00.

Disparity in budget between taxicabs and limousine:

What scale of justice was used by the PPA when they formulated this budget? Taxi medallion assessment cost is \$1,500 compared to \$350 for a limousine. This budget will extract \$5.4 million dollars from the taxi industry and only \$550K from the limos. The taxi industry is being taxed 900% more than the limousine industry. The PPA is budgeting \$200K in fines and violations from the taxi industry and only \$15K from the limos. This budget is blatantly unfair in scope. While there may be fewer limousines in the city, that ratio does not equal the proportion of 10-1. There are 1,600 medallion taxicabs in Philadelphia, the way that this budget is arranged, there should only be 160 limousines in the city. The PPA must readjust this budget to address this disparity.

In closing, the added cost to the PPA-TLD budget extends from the various lawsuits that could have been handled by talking with the taxi industry. How much was spent to prove that the PPA is a State agency and should be following the Pennsylvania Document Law. How much will be spent in the future over wheelchair accessibility and adhering to the Dodd-Frank Act? Moreover, the TLD is management heavy, with 11 of their 38 employees in management positions. The PPA must remember that they are regulating an industry that doesn't have set wages, benefits, and pensions enjoyed by the TLD staff, yet it is feeding on this industry for its survival. Earning \$4.27/hr, taxi drivers have no share in the financial rewards of this industry but they produce all the work. Medallion owners, dispatch companies, VTS, mechanics, gasoline stations, and the PPA-TLD survive on the backs of taxi drivers.

Respectfully submitted;

Ronald Blount
President
Taxi Workers Alliance of Pa.