

From: Danielle Friedman, Esq. on behalf of VB Trans, AF Taxi, Galant Cab Co., and Checker Cab Philadelphia

To: Philadelphia Parking Authority

January 25, 2012

Re: Issuance of 300 Handicapped Medallions

First and foremost, we support putting wheelchair accessible vehicles on the streets of Philadelphia, however, we disagree with the method that PPA has chosen in order to achieve this goal. The following comments are only a few of the many problems with the PPA's proposal:

1. Holding a random drawing to transform the rights of certain medallion owners lacks due process. This transformation of rights conflicts with Act 94 and removes rights that medallion owners are entitled to. A governmental entity may not take property without proper notice and hearing. Given the importance of the rights conferred under Act 94, the PPA may not transform these rights by holding a random drawing. Proper legislative steps must take place in order to ensure fairness. Medallion owners' interests must be balanced against the interests of the PPA and the needs of the handicapped community.

2. Operating wheelchair accessible medallions requires significant additional expenses, in addition to specialized knowledge and training. Those owners randomly selected by the PPA may not have the knowledge or resources to operate handicapped medallions.

3. In all other cities in the United States where handicapped medallions were issued, such as New York and Boston, these medallions were issued and sold through an open auction to those who were willing and able to purchase these specialized medallions and to those who were able to satisfy the operational requirements of running such medallions.

4. Most medallions in Philadelphia are financed by financial institutions that accepted standard medallions as collateral for the loans they finance. Substituting standard medallions with handicapped medallions is not only another due process violation, but also instantaneously forces borrowers to default on their loans because borrowers would essentially be substituting their collateral. This event would cause banks lending to the industry to call of all loans and would result in foreclosure of these medallions. Those owners chosen by the lottery would not only be excluded from obtaining additional financing for the handicapped vehicles they would be required to provide, but would also be foreclosed upon. This series of events would result in serious financial turmoil throughout the industry, causing medallions prices to fluctuate and guaranteeing instability for banks that provide financing in Philadelphia. No bank will provide medallion financing in Philadelphia knowing that their collateral can be switched involuntarily. There will be no wheelchair accessible vehicles on the street as a result of the foreclosures, defying the entire purpose of the PPA's proposed changes.

5. Mr. Fenerty, in the press release, indicated that the PPA tried to ask owners to put wheelchair accessible vehicles on the street voluntarily, however this never occurred. Please provide any evidence of an appeal to the industry, either through email, letter, meeting, etc., that proves any effort on behalf of the PPA to encourage anyone in the industry to put a wheelchair accessible vehicle on the street. The only problem that was revealed to the industry was a December 2011 email that notified the industry about a lawsuit filed in August against the PPA. No proposal or request was ever made to the industry about wheelchair accessible vehicles.

6. Please provide any research, study, or example of any other municipality, which shows that a lottery is the best approach as far as implementing wheelchair accessible vehicles.

7. Three hundred vehicles is a random number not supported by any study of the needs of the handicapped community in Philadelphia. As with any industry, the taxicab industry has to comply with the Americans with Disabilities Act (ADA), however no economic study or any calculations were made to determine the demand for 300 wheelchair accessible medallions, especially given the fact that people who fall under the ADA already have access to free para-transit.

8. As an industry, there are already three wheelchair accessible vehicles on the street and numbers 4 and 5 are going to be put on the street this month. As the owners and operators of handicapped medallions, we keep statistics of how many calls we receive for wheelchair accessible vehicles and how many wheelchair accessible vehicles are being flagged on the street. Even with the handful of vehicles on the street, we receive very few calls and not even one has been flagged. If there isn't even enough demand for five vehicles, how can the PPA possibly propose 300? Wheelchair accessible vehicle operating expenses are much higher than standard taxicabs and the PPA must select a number of vehicles that satisfies the full needs of the ADA community without increasing operating expenses unnecessarily. In the end, these unnecessary expenses will be passed on to the public.

The issues above are only a few of the major problems that were never addressed or researched by the PPA prior to the proposed changes. It is reminiscent of the way the PPA decided to change its regulations in November 2010—without any industry input or research. We encourage the Board not to accept this lottery proposal. Instead we propose a meeting between the PPA and the industry in order to address all issues and come to a more reasonable solution regarding wheelchair accessible medallions.

As industry members we are willing to put as many wheelchair accessible vehicles as needed to meet the demand. We have statistics and we encourage the PPA to look at those statistics. Until a study is completed assessing the demand of the handicapped community for accessible taxicabs in Philadelphia, the PPA should not proceed with its proposal.

Sincerely,

Danielle Friedman, Esq.