

To: Pennsylvania Public Utility Commission (PA PUC)

From: James R. Ney, Director, Taxicab and Limousine Division (TLD)

Philadelphia Parking Authority (PPA)

Subject: Testimony for En Banc Transportation Hearing on August 28, 2014

Date: August 21, 2014

The Philadelphia Parking Authority is currently responsible for regulation of nearly all aspects of call or demand and for-hire transportation services authorized to operate in the City of Philadelphia, a function which was assumed from the Pennsylvania Public Utility Commission (PA PUC) on April 10, 2005 by order of Act 94 of 2004.

These forms of transportation in Philadelphia, commonly known as taxicab and limousine services (respectively), have, until recently consisted of 1600 Medallion Taxicabs, a dozen or so Taxicab Dispatch Companies, and six Partial Rights Taxicab Companies running a total of about 175 taxicabs which operate primarily in specifically authorized peripheral sections of the city. The Authority also regulates approximately 100 luxury limousine and Airport Transfer companies running an approximate total of 900 vehicles. The Authority's TLD also registers medallion and other company Brokers and maintains careful oversight of all company service rights sales transactions to insure service authorized by statute is assumed by qualified entities and operates uninterrupted.

We have approximately 70 to 90 new applicants for taxicab driver certification per week and 60 applicants for limousine driver certificates all of which must have criminal background and driver records checks performed by TLD staff through the PA State Police and Penn DOT respectively. Taxicab driver applicants are required to attend a mandatory four day, in house administered training class. Applicants for both Taxicab and Limousine Drivers' certification receive certificates qualifying them to drive only after passing a TLD electronically administered (randomly selected questions) test with a score of 70% or higher. There are approximately 3,750 active drivers.

The TLD's Enforcement Department which includes driver training in its purview employs eleven Inspectors and is overseen by former Philadelphia Police Lieutenant, William Schmid. Staffed with four mechanics, the Department also conducts bi annual, wheels-off inspection of all taxicabs and once every four years inspection of all limousines at the TLD's own on-site, lift and emissions equipped facility which is a certified PA State Inspection station.

From the very beginning, the TLD was given very strong towing and impoundment enforcement powers which were only enhanced with successive legislative amendments and promulgation of new regulations. These rules were more often requested and embraced by rather than opposed by industry

members as tools to control unauthorized or illegal service providers who set up shop in Philadelphia with no prior vetting as described above. Formerly described only as "Hacks" and "Gypsy Cabs" this category of "service provider" now includes such monikers as "Rogue Apps", "Hacks with Apps" and "Rideshare Apps". Whatever the name, the result tends to be the same: unauthorized service providers encroaching upon service territories of legislatively authorized government vetted carriers with unvetted and often inadequately insured, uninspected, untrained drivers and vehicles.

Unlike many other major US cities, Philadelphia has been successful at keeping the so-called "Ride-share App" companies such as SideCar and Lyft out of operation here due to our aforementioned strong enforcement powers. An initial foray by Uber offering its earliest brand of service now called "Uber Black" was similarly shut down until Limousine rights were appropriately applied for, a tariff allowing for reservation by internet/smartphone "App" negotiated and a Certificate of Public Convenience granted for a company using the Uber app.

Contrary to those who might refer to the Philadelphia Parking Authority's hardnosed stance against illegally operating transportation apps as reflective of an anti-innovation proclivity where transportation technology is concerned, recall that Philadelphia was the first to mandate across the board installation of what is referred to in our regulations as the "meter system". This comprehensive taxicab technology system installed in all medallion taxicabs, is GPS enabled providing turn by turn navigation assistance for drivers and affords TLD personnel the opportunity to track every trip based on just a bit of information recalled by a passenger. We know which driver is in which vehicle at any given time of the day or night and have the wherewithal to shut down a meter and call a driver into headquarters if and when needed. All medallion taxicabs must be equipped with credit card processing equipment and drivers are required to accept credit cards in payment for their services. It provides each Dispatcher with the means to text calls for service to the closest available cab.

While this system continues to serve the traveling public of Philadelphia, the industry and the TLD well we realize that more advanced technology is available which will build upon and enhance the already in place taxicab technology system. The Authority's TLD has already approved for use one e-pay app called Way2Ride which allows users to download their credit card information and tipping preferences to their smartphone and pay for their fare in 1400 of Philadelphia's 1600 medallion taxicabs. App users need only tap the Passenger Information Monitor (PIM) before they leave the taxi at the end of the trip. All transactions are secure, reflect only the publicly approved tariff, are transparent and available for investigative purposes to TLD Enforcement in case of disputes. Verifone, the developer of the app is currently testing an e hail counterpart to the e pay app that will, when joined with the e pay function, provide most if not all of the features and convenience companies such as Uber provides (i.e. You will be able to view the vehicle you summoned on the map on your phone, rate your driver, etc.). A pared down version of this proposed e hail app is already authorized for use by customers who wish to use All City Cab/"215GetACab" and Checker Cab which together operate a total of about 800 taxicabs.

There are a number of other such taxicab centric e hail and e pay app companies that are designed to work with regulatory bodies to provide all of the convenience one might associate with one of the illegal smartphone app companies but afford the safety and security of government vetted drivers and vehicles using a standard rate of fare. At least a few of these companies started off offering service in jurisdictions without approaching taxicab regulators – illegally - but have since become very profitable enterprises working in compliance with the existing statutes or ordinances of many jurisdictions.

The Authority has successfully promulgated five new sets of regulations over the past year of which three are of particular importance to the safety, security and quality of life of Philadelphia's traveling public and those who work to provide that transportation. Wheelchair Accessible Vehicle (WAV) taxicab program regulations were approved by the Independent Regulatory Review Commission (IRRC) setting forth all of the requirements for industry operation of WAV taxicab service. A new medallion sale regulation was passed which facilitates the WAV regulation by providing for sale of 45 new medallions to be placed only on WAV taxicabs by the end of this year. Finally, a safety camera regulation requiring that purpose built safety cameras integrated with the existing in vehicle technology systems be installed in all taxicabs before year's end. I dare say that you would not find any of these accommodations and safety measures in evidence in any of the aforementioned illegal "ridesharing" apps.

In sum, what everyone must realize is that the only thing new when considering this issue is the new means of communication between the person who needs a ride between point A and point B with the person who can provide that ride. The models for various forms and levels of call or demand (taxicab service) and for hire transportation (limousine service) have been in existence for many years. These models can, essentially, remain intact with their various levels of service and associated pricing levels and have the new technology applied to them to provide the travelling public the updated level of convenience they now crave.