

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

Final Rulemaking Order
Regarding Vehicle List, Age,
And Mileage Requirements
For Taxis and Limousines,
52 Pa. Code §29.314(c)-(d),
29.333(d)-(e)

Public Meeting November 13, 2014
2349042-LAW
Docket No. L-2013-2349042

**MOTION OF
VICE CHAIRMAN JOHN F. COLEMAN, JR.**

In 2002, the Commission undertook a wide-ranging review of its motor carrier transportation regulations in order to conform to changes in federal law and the transportation industry. Final revisions to these regulations were approved in 2005. New regulations required taxi cab and limousine companies to provide a list of all vehicles used in service, and prohibited the use of taxi cabs or limousines more than eight model years old, except where a waiver had been requested and the Commission determined that the vehicle was safe and reliable.

While these provisions were well-intentioned, our experience has demonstrated that modifications are needed. As we stated in our proposed rulemaking, the vehicle list requirement does not meaningfully aid our regulation of carriers, and the waiver process consumes scarce Commission resources. In support of this change, our statistics show that relatively few vehicles are granted waivers from the model year limit. In the proposed rulemaking order, we recommended eliminating the vehicle list requirement and the waiver request process for older vehicles. Separately, we proposed that limousines be subject to a mileage limitation of 200,000 miles, as opposed to an eight model year limit.

Comments were received from the Independent Regulatory Review Commission ("IRRC"), taxi companies, limousine companies, and their trade associations. Comments were generally favorable in regards to the elimination of the vehicle list requirement. However, the comments filed by taxi companies were generally opposed to maintaining the eight year model limit while at the same time eliminating the waiver process. The IRRC noted that in the original rulemaking establishing the age limit, the Commission received numerous comments suggesting that the age limit would create financial hardship for small carriers. The IRRC stated in its comments to this rulemaking that it agreed with commentators that the elimination of the waiver process could result in severe consequences for small carriers. Comments regarding the new limousine standard were mixed, with most supporting a mileage standard, but also requesting a higher mileage cap.

In its final rulemaking order, staff affirms its recommendation to eliminate the vehicle list requirement and waiver process. Staff also proposes, in response to the comments received, to revise the limousine mileage limit to 350,000 miles. I agree with these elements of the recommendation. Staff also proposes to raise the model year limit for taxis that use alternative fuels to 12 years, which I agree with for the reasons outlined in their recommendation. However,

I do not agree with maintaining the age limit at 8 model years for non-alternatively fueled taxis while at the same time eliminating the waiver process. I agree with the IRRC that this may cause undue hardship to smaller carriers that serve small cities, towns and rural areas, and affect the availability and affordability of the service in these communities.

The Commission is responsible for regulating taxi cab companies of varying sizes across communities of different population size, density, etc. Accordingly, it is appropriate to provide for a flexible standard on this issue. The current proposal may deprive taxi cab companies the ability to use older, but otherwise safe vehicles with relatively low miles. The increased costs associated with using a more expensive taxi fleet would inevitably be passed on to its passengers in the form of higher rates.

I acknowledge that the establishment of mileage and age standards for taxis and limousines is challenging in the absence of an accepted, nationwide regulatory or industry standard. In 2007, the Taxicab, Limousine & Paratransit Association (“TLPA”) did recommend an eight model year limit for taxis in metropolitan areas of more than one million people. However, the TLPA acknowledged this standard would be “unduly restrictive and costly” for communities with smaller populations with less density.¹

Based on a review of the comments and of other publicly available information, I propose that we adopt a standard that prohibits the use of taxicabs that meet either of the following conditions:

- Are older than 10 model years for conventional vehicles or 12 model years for alternatively fueled vehicles
- Have more than 350,000 odometer miles

I believe this approach will reduce financial hardship for carriers while establishing a standard that serves public safety interests. A purely model year based approach may result in taxis with 400,000 miles or more being used in service, which the Greater Pennsylvania Taxi Association (GPTA) admits, in its comments, are on the road right now.² A purely mileage based standard could allow vehicles fifteen or twenty years old, or even older, to be used in service. While I agree that model years or mileage are not perfect indicators of a vehicle’s condition, a firm limit ensures that older vehicles without the latest safety features or subtle, age and used related defects are retired from fleets within a reasonable period of time.

The increase to ten model years is a reasonable compromise given our decision to eliminate the waiver process, and a ten year standard was suggested by some parties, including the GPTA, Erie Transportation Services, and Metro Transportation, LLC. However, the allowance of older vehicles must be tempered by reasonable restrictions on their level of usage. Accordingly, I recommend that we adopt the 350,000 mileage limitation. The use of a mileage standard was supported by some commenters, including Bux-Mont Transportation Services Company (e.g. 200,000 miles).

¹ *Taxicab Company Standards Recommended For Metropolitan Areas of Greater than One Million Population by the Taxicab, Limousine & Paratransit Association*, October 9, 2007.

http://www.tlpa.org/news/Taxi_Co_Standards.pdf. The TLPA is a trade association representing over 1100 companies providing private transportation services, including taxicab, limousine, and paratransit service providers.

² The GPTA is an association representing twenty eight taxi and limousine companies throughout the state.

There is precedent for establishing hybrid age and mileage limitation standards in the Commonwealth. The Philadelphia Parking Authority has a standard of eight model years or 250,000 miles for its limit on taxis. This approach was approved by the IRRC, and enjoys the presumption of reasonableness. A higher 350,000 mileage standard for taxis operated outside of Philadelphia is appropriate, given the different driving conditions, and is consistent with the mileage limitation we are establishing for limousines.

In closing, it is my belief that competitive market forces will work to prevent many taxis from reaching these limits. As the transportation industry continues to change, I expect carriers to have ample incentive to provide modern, clean and comfortable vehicles.

THEREFORE, I MOVE THAT:

1. The Final Rulemaking Order, as modified by this Motion, be approved.
2. That the Law Bureau prepare a Final Rulemaking Order consistent with this Motion.

DATE: November 13, 2014



JOHN F. COLEMAN, JR.
VICE CHAIRMAN