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August 21, 2014

VIA EMAIL

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

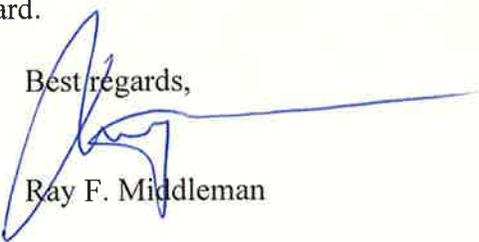
**RE: *En Banc* Transportation Hearing
Docket No.: M-2014-2431451**

Dear Madam Secretary:

Please find attached the hearing testimony on behalf of The Yellow Cab Company of Pittsburgh t/d/b/a Yellow X for the *En Banc* hearing scheduled for August 28, 2014 at 9:00 A.M.

Thank you for your cooperation in this regard.

Best regards,


Ray F. Middleman

RFM/jmb
Attachment

cc: Krystal Sacavage (w/att.) (via email)

Ray F. Middleman, Esquire
On Behalf of Yellow Cab Company of Pittsburgh t/d/b/a Yellow X
August 28, 2014

**Hearing Testimony Before the Pennsylvania
Public Utility Commission *En Banc* Transportation Hearing**

Ladies and Gentlemen of the Commission:

Thank you for permitting me to speak today on behalf of the Yellow Cab Company of Pittsburgh t/d/b/a Yellow X (a Transportation Network Company).

As you are well aware, Yellow X is the only certificated carrier lawfully operating in experimental TNC service under guidelines established by the Commission in its May 2014 Order granting authority to Yellow Cab. Yellow X has complied with all Commission requirements including the provision of insurance; a vehicle inspection program; a driver qualification program; and other regulations as set forth in Title 52 of the Pennsylvania Code. We are proof that TNC service can exist and operate within regulatory guidelines which were established in a cooperative effort between Yellow Cab and the Commission. We are appreciative of the thoughtful and expeditious manner in which the Commission acted to hear our concerns and help craft guidelines to effectuate a safe and responsible program for TNC operations. We would hope and expect that the May 2014 Order of this Commission would serve as the template for any further certificates of public convenience to be granted to any other TNC entities.

It is important to Yellow Cab, as a demand and response common carrier service provider for over 100 years, to bring regulated, safe service to the public. We view Yellow X, and all TNC's, as the natural progression of demand and response passenger service. When it began service in 1913, Yellow Cab drivers would stand at a call box waiting for a call for service – this progressed eventually to radio dispatch; then digital dispatch; GPS aided dispatch and now

“App” and internet dispatch. We view the “App” and internet dispatch method as simply the latest evolution of a better faster means of communication between passenger and service provider.

While much attention has been drawn to the use of “Apps” and the internet as part of TNC service, the true innovation which TNC companies bring to the demand and response marketplace is the use of personal vehicles by drivers who are more likely to be “weekend warriors” and not professional drivers. The upside of this “innovation” is that it provides a means whereby the public demand for service, which changes day to day, can be met without an enormous and economically disastrous capital expenditure.

The “downside” of using the non-professional driver, of course, is that there are greater concerns regarding public safety and welfare which are now significantly more difficult to resolve and address. We are pleased that the Commission has had the foresight to permit Yellow X to bring the same safety regulations and insurance requirements as have existed in traditional taxi service to bear on its TNC operations. We want our TNC passengers to know that they are in a vehicle that has been checked for mechanical soundness; that the driver has been vetted and is a lawful person with a good driving record; and that there is primary insurance coverage for passenger, driver and others in the event of an accident. We believe that these traditional components of demand and response common carrier service cannot be diluted, ignored or abrogated. They are the gravamen of safe public transportation.

To be certain, Yellow X, which became certificated 28 days ago, has actually had drivers from other uncertificated TNC companies bring their vehicles to Yellow X for mechanical inspection in preparation to be put into Yellow X service. The first two such vehicles which Yellow X inspected failed the mechanical inspection process. We are pleased to have caught

such deficiencies, yet concerned that TNC companies operating outside the purview of the PUC don't have the safety of the public as their first concern.

The Commission requirements and the oversight of the Commission are essential to insure that safe public transportation exists. Yellow X is not afraid of competition from other TNC demand and response carriers – but there must be a level playing field. Rules and regulations governing TNC service must be enforced uniformly and fairly. We believe that all demand and response carriers must comply with the driver regulations at 52 Pa Code §§29.501 – 29.509; all demand and response carriers must comply with 52 Pa Code §§29.401 – 29.407; all demand and response carriers must comply with primary insurance as per 52 Pa Code §32.11.

With respect to the adequacy of the present insurance requirements as set forth in 52 Pa Code §32.11 and clarified in 52 Pa Code §41.21, we believe that the Commission must be mindful of the significant cost of premiums related to the provision of insurance on commercial vehicles. A significant increase in coverage could have a deleterious impact on the ability of many demand and response carriers to invest in technology and TNC “fleet” maintenance and care. An increase in premiums could put many smaller carriers out of business.

We also believe that the “need” requirement set forth in 52 Pa Code §41.14 should be maintained. As will be addressed by Mr. LaGasse of the National Taxicab, Limousine and Paratransit Association, deregulation or open entry into the demand and response common carrier marketplace has been a predictable receipt for disaster everywhere it has been attempted. Yellow X favors regulation and regulatory oversight for public safety.

Yellow X is pleased to have this opportunity to appear before the Commission and to have a hand in developing this new evolution of a necessary and valuable public utility service.