

# **“Exhibit A”**



# THE PHILADELPHIA PARKING AUTHORITY

## REQUEST FOR BOARD ACTION

February 23, 2016 Board Meeting

To approve the reopening of a rate review investigation and the following procedure for the process to review a proposal to change taxicab rates and tariff.

### Summary:

On January 22, 2016, Danielle Friedman, Esq., on behalf of certified taxicab driver Khalid Alvi, H-101012, filed a petition with the Taxicab and Limousine Division ("TLD") listed on Docket No. P-16-01-03 ("Petition") requesting a limited change to the taxicab rates (attached hereto as "Exhibit A"). Petitioner is requesting that the taxicab tariff be amended to allow for a flat rate of \$9.00 per one-way trip, regardless of the number of passengers, for all trips originating and terminating within certain proposed boundaries surrounding Center City Philadelphia between the hours of 7 p.m. on Thursdays through 7 a.m. on Sundays. The proposed boundaries would, in addition expand the existing boundaries outlined in the current taxicab tariff (attached hereto as "Exhibit B") for flat rate trips between the "Center City Zone" and the Philadelphia International Airport.

### History of Rate Changes:

All taxicabs authorized to provide call or demand service in Philadelphia are required to charge a uniform rate to passengers, as determined by the Authority upon investigation.<sup>1</sup> Any certificate holder or certified driver may petition the Authority to reopen rate investigations no less than 18 months after the close of the preceding investigation.<sup>2</sup>

In June 2005, the Authority approved the first rate increase for Philadelphia taxicabs in 14 years. This occurred just two months after regulatory oversight of the Philadelphia taxicab and limousine industry was transferred to the Authority from the Pennsylvania Public Utility Commission. In October 2005, the Authority approved a fuel surcharge as a result of gasoline prices reaching historically high levels in the wake of Hurricane Katrina.

The last rate review investigation conducted by the TLD closed on February 25, 2008 when the Authority unanimously resolved the approval of a rate increase after an extensive review, including public comment and hearing. The fuel surcharge was rolled into the new flag drop (fare at the entry of a passenger into the vehicle). Those rates became effective on June 2, 2008.

On April 23, 2012, however, upon petition and after an investigation, comment period and public hearing, the Authority approved a permanent fuel surcharge mechanism along with a method the TLD is to use for applying the surcharge (attached hereto as "Exhibit C").

### Recommendation:

Based upon the aforementioned Petition requesting examination of a unique way to charge for taxicab service in a highly dense area, the current significant decreases in gasoline prices and various

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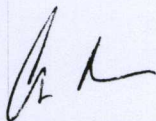
<sup>1</sup> See 53 Pa.C.S. § 5720 (b) (relating to uniform rates).

<sup>2</sup> See 53 Pa.C.S. § 5720 (c) (relating to reopen [rate] investigations).

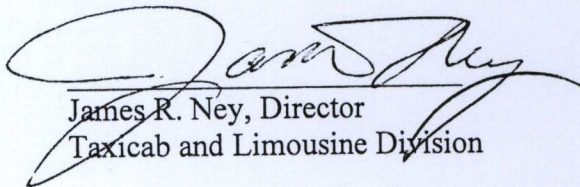


complaints from industry members concerning the economic strains on the taxicab industry as a result of loss in market share due to new and different services being provided, the TLD is recommending that the Authority approve the reopening of a rate investigation as follows:

- That the current taxicab tariff remain unchanged until the close of this rate investigation and until such time the Authority decides to take action to change the taxicab tariff.
- The TLD will begin the investigation of a rate review limited to the following: (a) a flat rate trip as proposed in the Petition; (b) a review of the current method for determining a fuel surcharge; and (c) the boundaries outlined in the current taxicab tariff for flat rate trips between the "Center City Zone" and the Philadelphia International Airport.
- Upon approval of the reopening of the proposed rate investigation, the TLD will begin notifying the public and all members of the Philadelphia taxicab and limousine industry of its intention to receive input from all concerned parties during a 20 day comment period regarding the limited scope of the rate investigation.
- Hold a public comment hearing to gain further input from all concerned parties.
- All notices will be accomplished by email to all regulated persons that have registered an email address with the Authority, publication in the *Pennsylvania Bulletin* and postings at the TLD Headquarters as well as on the TLD's website at [www.philapark.org/tld](http://www.philapark.org/tld).
- After review of all received comments, the TLD will submit a recommendation to the Authority at a regular scheduled meeting concerning its findings and any proposed rate and tariff changes. At this time, the TLD is tentatively anticipating to present its findings to the Authority in May 2016.
- If the Authority ultimately approves any changes to the taxicab rates and tariff, the TLD will inform the public and all Philadelphia taxicab and limousine industry members regarding the Authority action and provide notice of the effective date and procedure for any changes.



Corinne O'Connor  
Deputy Executive Director



James R. Ney, Director  
Taxicab and Limousine Division

Date

2/18/16

Date

Feb-17, 2016