



March 22, 2010

State Representative W. Curtis Thomas
Urban Affairs Committee
302 Irvis Office Building PO Box 202181
Harrisburg, PA 17120

Re: Suggested Amendment's to House Bill No. 1914

State Representative W. Curtis Thomas,

I would like to take this opportunity to thank you and your committee for taking your time to allow me to voice my opinions and knowledge of the Philadelphia Taxicab Industry during the public hearing regarding house bill 1914. In its essence I am in support of changes to our industry that would bring a positive affect to our drivers as well as the disabled public. However I need to express our concerns with how this bill gets accomplished. I believe that as a long time member of the taxicab industry my input is vital as to how we get these items done.

Wheelchair Accessible Vehicles have been in use in several cities throughout the United States and should be apart of the taxicab medallion landscape here in Philadelphia. The process in which your bill proposes to create these medallions creates an inherent problem which many speakers as well as the Philadelphia Parking Authority pointed out. To simply issue medallions only to individuals who have maintained a hack license for 1 year discriminates and specifically excludes many existing members of the Philadelphia Taxi industry and furthermore provides the least likelihood of successfully servicing the disabled public. If given and not auctioned it would create a splinter in the medallion industry for those who have worked hard and saved for a deposit to purchase one of their own and those who simply were lucky enough to receive one. This system also does not take into account that the individuals that they are simply giving them to lack the experience needed as a taxicab owner and operator as well as a lack of substantial equity and working capital for unexpected costly items such as vehicle maintenance, accidents and rising insurance costs. Most importantly however the Philadelphia Parking Authority would be forced to hire and train new staff to deal with the day to day management of these medallions and drivers which is no easy task. The income that can be generated as proposed in the house bill is \$7,800.00 per year, which from my prospective as a medallion owner and operator would not even cover administrative costs in the control of this asset (this also assumes you collect all 52 weeks of the year, which again is not likely). The auction of fifty medallions could raise \$10 to \$12.5 million dollars which is desperately needed by the PPA and city of Philadelphia to increase staff and services to the public and members of our industry as well as employee new Philadelphians. To hear a medallion owner advocate for an increase in the PPA budget might be going against the grain, however I face unreasonable time constraints and stoppage of my business due to the understaffed taxi and limousine division at the Philadelphia Parking Authority. This sudden influx of money can be allocated to the hiring of new staff and enforcement which bodes well for both the public and members of the industry.

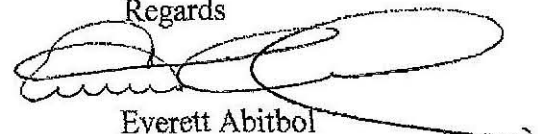
In the PPA amendment submitted on March 19th to the Urban Affairs Committee they recommended a change from the lottery system to an RFP or request for proposal. This type of system for medallion issuance will not allow for the highest and best use of the medallion from a revenue stream for the city and a source of wheelchair accessible vehicles for the public. An RFP does not give an even playing field for all those that want to participate and allows for companies to give unrealistic goals within their RFP which cannot be attained. Where RFP's have been successful in the city usually pertains to contracted work which this is not! Will the authority have to have additional oversight for those that are successful in the RFP process to monitor and make sure they are in compliance for their own bid? This will cost undue expense and allocate funds elsewhere than needed. As an owner, financier and manager of taxicabs in the city of Philadelphia, a sealed auction bidding system will be the best way we can release these medallions to the market.

Worker's Compensation has been presented in this house bill and was discussed at our hearing. Although our industry's position from drivers to owners is that the relationship between a medallion owner and a driver is strictly one of an independent contractor does not mean that worker's compensation can not be attained for the taxi driving members of our community. The way in which we proceed from here on in is very critical as to how this program is created, mandated and ultimately put into effect. Many cities across the US have mandated workers compensation for all licensed taxi drivers which operate a medallion cab. The private insurance markets currently provide these types of coverage's and can be attained thru a short period of underwriting and income reporting to these carriers in order to calculate a loss benefit to current drivers. We should anticipate that these policies will carry a substantial additional cost bore to the owner of the medallion and a increase to the current lease caps should be considered. In addition to lease cap increases, the Authority should review the current meter rates in the city which are also due for an increase since SEPTA has put in for a 6% increase for this coming fiscal year.

I appreciate your time and attention towards this matter and look forward to working with you and your committee on creating a successful plan of implementing these items. If you have any questions I can always be reached by email or telephone which I have left below

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Regards



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