



3/19/10

Tax Workers Alliance of Pennsylvania

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From the cab drivers, many of whom have never believed before this public hearing was scheduled that our Representatives would come to Philadelphia and care about cab drivers, THANK YOU.

Welcome to Philadelphia. We are thankful for Representative Mark Cohen's initiative in starting our campaign for Workers Compensation for cab drivers, and for wheelchair accessible taxi-cabs for our disabled riders.. We also would like to thank Executive Director Jon Costelli for his tireless effort in helping all of us prepare for this hearing. And there are many to thank for the support or at least the consideration that HB 1914 is an important bill, that it addresses an under-served constituency, and that you are willing to listen. It means a lot to all of us.

I have been a taxi driver since 1983, and the Political Director of the Taxi Workers Alliance of Pennsylvania, or TWA-PA, since 2008. I would like to stress the futility in trying to improve the working conditions and standard of living of cab drivers.¹ Collective Bargaining for wages, benefits, and basic legal protections, such as workers compensation, are far fetched as Independent Contractors.

I think about history, and the landmark legislation that has protected working people, such as the Pennsylvania's Workers's Compensation Act 57. I also think about today, and why cab drivers are organizing. Taxi drivers are saying, "I do a job. A dangerous job. A prominent job. Everyone is demanding, and forcing me to a better job. What's the incentive?" A Russian cab driver told me, "This is the new

¹ Attached is a chart showing the role of advocate for the taxi drivers that UTWA represents.

slavery. In the old slavery, the master gave you everything you needed to work. The new slavery makes you provide everything to work for the master.” HB 1914, in its entirety is brilliant and a bill that could be landmark legislation addressing some important issues.

Real Cab drivers applaud professional standards, rules and regulations. The demands for a better cab driver should equate to a higher standard of living for cab drivers, with basic protections such as workers compensation. Otherwise, there will never be a professional workforce of cab drivers serving the public with pride and dignity. Cab drivers resent being managed and bossed around from the Philadelphia Parking Authority, Medallion fleet owners, and Dispatch Companies whom do not pay the drivers but are always collecting. HB 1914 is an incentive. .

“The key to improving the quality of taxi drivers is to increase the number of proficient career drivers through better financial rewards, better working conditions and greater security from crime. By both their words and actions, drivers make it clear that a higher and steadier wage and better employee fringe benefits would make taxi driving decisively more attractive. Since the level of drivers’ commitment to their job is critical to the quality of service, the task of improving driver compensation and working conditions should take center stage in efforts to upgrade taxi service.”² Bruce Schaller, Consultant

HB 1914 is a start in not only addressing a basic need, such as workers compensation, but also addressing, the low wages that taxi drivers earn as Independent Contractors. We need wheelchair accessible taxicabs, and this bill will put real independent contractors³ driving them, drivers whom will be able to serve the disabled

² Bruce Schaller, Factors of Production in a Regulated Industry. “New York Taxi Drivers and the Price for Better Service” TRANSPORTATION QUARTERLY, Vol. 49, No. 4, Fall 1995

³ UTWA-PA membership includes members whom own their own medallion , or are owner operators (O/O)

without worrying about a lease payment. A driver whom will take pride in his own vehicle, with all of his revenue coming from his self-employment. The bill also mentions a livable wage, another loophole of the Independent Contractor Relationship, whereas cab drivers do not have at least the legal guarantees of a minimum wage.

The biggest concern about Workers Compensation is the cost. Who is going to pay for it? This will be the opposition to this bill on this alone. They will say that drivers are Independent Contractors, but in New York City, Las Vegas, Chicago, and other major cities the taxi drivers are Independent Contractors and are covered by Workers Compensation. They will say that they can afford to buy disability and health insurance, but the GPS and Meter receipts on record at the Parking Authority will show that taxi drivers are earning below the minimum wage. They will say that it will hurt the medallion prices and be less attractive for investors, but in other major cities the price of a medallion has increased.⁴ And they may talk about the economy, but a poor economy is a great economy for medallion owners. The pool of drivers increases, and they can charge the maximum lease for each shift, plus add place additional conditions on leasing a cab such as requiring a security deposit. The price of a medallion has increases from \$60,000 to \$220,000 since the Philadelphia Parking Authority was put in charge as regulators in the industry.

One concern that I have is that the taxi drivers pay for it! I hope that taxi drivers will be treated equally to the majority of Americans, and be granted the legal right

⁴ Andrew Murstein, President of Medallion stated, "We are very pleased with our continuing trends of increased spreads. During this quarter, New York City and Chicago medallion prices remained firm. The industry remains strong. Taxi medallion prices in New York were \$760,000, up from \$725,000 one year ago, the highest they have ever been. Very few assets have appreciated over the last year, and taxi medallions are, and continue to be, one of the safest investments." From the website of Medallion Financial Groups, **Medallion Financial Corp. Reports 2009 Third Quarter Results**

to be made whole when injured on the job covered by Workers Compensation paid by the party that manages the taxi drivers.

We believe that you, members of the Urban Affairs Committee, members of the entire House of Representatives and members of the Senate, can tackle any legal issue and that you are our only hope to legislate some basic protections for the most important diplomat in the Commonwealth of Pennsylvania.

Honorable Representatives, You are part of landmark legislation, the first part with this public hearing which I thank you on behalf of the cab drivers, from the bottom of my heart. Please move it forward.

Respectfully,



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PUBLIC , MEDIA, & HOSPITALITY INDUSTRY

UTWA Combats the poor image of drivers through direct intervention on public's experience and through fighting policies and practices of regulators, fleet medallion owners and dispatch companies that affect the public's use of cabs.

UTWA combats the demonizing of cab drivers in the media through direct responses to news stories and press releases. We also use the internet, website, newsletter, radio show, and videos.

GOVERNMENT

The UTWA lobbies elected officials for legislative action and to intervene on our behalf.

AIRPORT, 30th Street STATION AND POLICE

- UTWA tries to create a positive pleasant atmosphere to work.
- Intervenes in driver-personnel disputes
- Negotiates fees and policies
- Represents drivers in enforcement issues
- Addresses Safety Issues



UNIFIED TAXI WORKERS ALLIANCE OF PENNSYLVANIA

The UTWA, a part of the INTERNATIONAL TAXI WORKERS ALLIANCE, is the largest Taxi Union fighting to improve the working conditions and standard of living for cab drivers. The UTWA advocates basic protections for the health and security of cab drivers.

The TAXI DRIVER

applies to the PPA for a taxi certificate, attends classes, and finds a medallion owner to lease a cab or a medallion using his own car, and signs an -

INDEPENDENT CONTRACTOR AGREEMENT with

- NO Collective Bargaining Rights**
- NO Workers Comp**
- NO Guaranteed Minimum Wage**
- NO Unemployment Insurance**
- NO Sick Leave**
- NO Health Insurance**
- NO Disability Insurance**
- NO Employer-shared Social Security or Medicare**
- NO 8-Hour Day**
- NO Vacation**

He is bossed around, works 6-8 hours just to pay cab expenses and works another 6-10 hours to make a profit and support his family, and is subject to numerous regulations, fines, and disruptions to earning a living.



PHILADELPHIA PARKING AUTHORITY

PPA'S Board of Directors
On-Street Enforcement Division
Taxi-Limousine Division
TLD Enforcement

UTWA fights to be part of the decision that affects the working conditions and standard of living of cab drivers through formal meetings and protests. We intervene and represent drivers on all levels of the PPA.

FLEET MEDALLION OWNERS

UTWA combats the exploitation of taxi drivers by use of the Independent Contractor Status. We fight demeaning and illegal practices such as overcharging leases, excessive and unexpected fees, and accident claim issues.

DISPATCH COMPANIES

UTWA fights discrimination, corrupt practices, and management of drivers that affect working conditions and standard of living.