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October 8, 2014

PA House of Representatives
Consumer Affairs Committee Members
Harrisburg, PA

Reference: HB No. 2468

To Whom It May Concern,

First, I would like to thank this Committee for allowing me to present testimony, and answer any questions you may have concerning Transportation Network Providers (TNC's) and the impact that this, or similar Bills would have to the current industry.

Contrary to the propaganda that is currently being circulated by the TNC's, it is not the "Old Guard", "Big Taxi", or the current "Taxi monopoly" or whatever other keyword or phrase they may use in their attempt to manipulate the reality, that they are the "Big Business." They are the one spending tens of Millions of dollars in lobbyists, social media campaigns, and other advertisement campaigns.

It is the TNC's Modus operandi, that it is better to beg for forgiveness than ask for permission. Multiple jurisdictions/cities throughout the country have TNC's operating illegally. Tickets, impoundments, Cease and Desist letters, all of which are considered the cost of doing business. We should not allow these TNC's to intimidate us, nor allow them to circumvent current regulations for the sake of their convenience alone.

Ironically, they want you to believe that they cannot continue to operate, which is hard to believe since their current evaluation is over 18-million dollars, however they seem to continue to be able to operate in the cities that mandate their only choice is to do so. We have to look no further then Philadelphia as proof of this statement. The Philadelphia Parking Authority (PPA) has forced them to Dispatch to Certified drivers and vehicles. Amazingly this hasn't restricted their ability to continue to provide service in the city.

Unless, and only if it is the goal of this Committee to deregulate the entire livery industry, there is no other reason to create dual standards. They claim that they should be exempt from any regulations because all they do is arrange transportation between someone providing it, and someone that is requesting it. I guess I need to state the obvious, that is actually what all livery companies do.

The difference? We are able to accomplish this within the current regulations. With properly licensed and certified vehicles and drivers, with all of the consumer safety and protections that the regulations provide. We all process requests for transportation and then assign that request to an available vehicle. The only difference between the limousine company and the TNC's are that generally speaking, the

limousine company usually owns the vehicles that it is dispatching too, as where the TNC's do not. If anything that makes them a transportation broker, nothing more, nothing less, and there are already regulations established for this type of service.

Just because we also answer phones, maintain an office, and have the necessary infrastructure doesn't mean that we are not already providing the same service that they would make you believe doesn't exist, we do, and it does. The real difference, we are providing additional jobs to office and support staff. Not only do we accept phone reservations, we also accept automated reservations through our website, and surprisingly, a Mobile Application. A significant number of my colleagues in both the taxicab and limousine industries also utilize Mobile Applications.

I am certain that the members of this Committee have also researched the TNC's requesting the passage of this or a similar Bill. There are no legitimate reasons why the TNC's cannot continue to operate as they do in Philadelphia, and other cities across the country where the legislators and/or regulators holds them to the same standards and requirements as any other livery operator. This, in its simplest form, is the essence of Equal Protection.

I could sit here and point to example after example of instances that occurred not only across the country, but globally, with service originating from the TNC's. However, I will not bore you with the details of the alleged rapes, sexual assaults, accidents in where the victim was not protected by adequate insurance, assaults (including a customer recently having his skull fractured by a hammer by the driver), price gouging - I mean surge pricing, just to name a few. If you are interested, all of this can be found with Google.

I have attached a detailed study detailing the impact that the TNC's will have on the livery industry if they are either unregulated or the disparity between them and other livery companies are not the same. This study was done for North Texas, and written by Richard A. Briesch PHD, who is the professor of Marketing at the Cox school of business at Southern Methodist University,

Additionally, I have also attached another article from the National Limousine Association that also validates the issues I have raised today and in my previous letter to most members of this Committee.

In closing, I am respectfully asking that you do not let this Bill or a similar one out of committee, and if in some unfortunate event you decide to vote this Bill through, do so with the exclusion of Southeastern Pennsylvania, specifically Philadelphia and the four surrounding counties of Chester, Delaware, Bucks, & Montgomery. For the sake of time and to avoid redundancy, please refer to my previous letter, which for your convenience I have also attached, stating why not doing so would be detrimental and would ultimately result in less efficient & available transportation to the riding public.

Again, thank you for the opportunity to be heard today, and welcome any questions anyone may have for me.

Please call me if you have any further questions at 215-416-2012.

Respectfully,

Edward M. Burkhardt

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VP

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September 18, 2014

PA House of Representatives
Consumer Affairs Committee Members
Harrisburg, PA

Reference: HB No. 2468

To Whom It May Concern,

Globally, these Transportation Network Companies "TNC", specifically Uber & Lyft, have taken the transportation industry by storm. Their approach, in most instances, are just to begin operating in a new area and deal with any possible legal or regulatory requirements or repercussions after the fact.

Although they have developed and are utilizing new technology, they are not providing a new or unique "service." We should not be so enamored with their new technology, that we are blinded to the point we cannot see the forest between the trees. When you remove all of the Hype and Glitz, they are nothing more than either one of two things, 1) A dispatch company, or 2) a transportation broker; which in either case, there are already well placed rules and regulations established to accommodate their business practices and operational methodology.

Transportation Companies "TC" that provide transportation to individuals are considered Public Utilities, and for good reason. Consumer safety is paramount, and should be the first priority, which, until this point, has always been the case. Disregarding, changing, or lowering these regulations for the sole purpose of making it easier or more convenient, is contradictive of the intent of the current regulations.

Prior to discussing specific changes and special allowances that this proposed Bill proposes, I believe that a brief summary of my industry experience and an overview of our companies are important, in order to help establish why I am vehemently opposed to this Bill as written, and how it would be debilitating to the Industry as a whole, and more importantly leave the riding public in peril.

I first started in the transportation industry in early 1989, shortly after serving in the US Navy. I started as a driver, and currently hold the position of VP with Yellow Cab, and have held all positions in between, including fleet management, dispatching, shift supervisor, regulatory compliance, etc.

Yellow Cab and our sister companies (Bucks County Services, Inc., a partial rights company that has Authority in portions of Philadelphia, Bucks and Montgomery Counties, BM Enterprises, Inc., a suburban cab company with Authority in Bucks and Montgomery Counties, and Executive Transportation Company, Inc., that is a limousine company that has state-wide authority), together service over a Million riders annually.

As you might not be aware, we offer our riders alternatives to just calling in to our conventional dispatch center to place their reservations. We have a fully functional mobile application that can be downloaded on Android and Apple platforms, and customers can also go to our website and place their orders directly. Additionally, we are also looking into and evaluating the ability of our customers the capability of being able to text us their address and have our dispatch software automatically place their order. We were one of the first dispatch companies in the state to invest in a fully automated, GPS based dispatch software system in 1999. We understand the importance of technology, and have made significant investments to provide our riders with the most convenient methods to place their reservations. Ironically, all of this was achieved within the guidelines and restrictions of the current Regulations.

We are not alone in regards to the use of mobile applications and other technology to benefit the consumer, many of our competitors', along with the Philadelphia Parking Authority "PPA", have researched and implemented consumer enhancements for their convenience. Unlike what the TNC's are trying to convince you, all of this is possible and achievable under the current regulations, from both the PPA and the Pennsylvania Public Utility Commission "PA PUC."

What this Bill will ultimately accomplish, is not more choices for the end user, but less. For years, the regulators, either the PPA or the PA PUC have quite successfully established regulations in which the transportation industry (taxicab & limousines) is thriving, (specifically Philadelphia and the surrounding 4 counties). This equates to thousands of taxicab & limousines, the drivers, owners, & office and support staff that can be directly affected if this Bill is allowed to pass in its current form.

This Bill jeopardizes our industries success and survival, the user's ability to receive the transportation that we provide, and most importantly, the ability of tens of thousands (directly and indirectly) of people, the capability to provide for themselves, and their families. How can the industry survive and continue to flourish while handicapped within the current regulations while the TNC's are exempt from the same requirements? This Bill will create an uneven and unfair playing field.

TC's have always had to have any vehicles working for them, registered to that TC providers company. This not only allows them to provide service under that specific TC's Operating Authority, it more importantly ensures that these vehicles & drivers meet minimum safety requirements that are critical to consumer safety. Or at least, that is what we have been told for decades.

One of, if not the most important requirement this Bill would circumvent, is the requirement to maintain commercial insurance, along with the mandatory FULL-TIME coverage. To allow, or to even consider allowing a make shift, part-time coverage is troubling at best. This requirement and the costs associated with maintaining proper coverage is a necessary evil. And, for good reason. There have been many incidents across the country where this type of on again, off again coverage has lead to significant injuries, where the injured party was left with no coverage. I am sure that everyone reading this is aware of the incident in San Francisco, where a little girl was struck and left with inadequate or voided insurance coverage. Uber told her and her family it wasn't their problem, because said driver was not actually in the process of providing a trip for them. The only reason that driver was in his vehicle at that time, was because he was either on the way to a trip or waiting for one to be dispatched to him.

Allowing private vehicles to operate in a manner as described in this Bill, may result in similar incidents here in Pennsylvania. Providing For-Hire transportation in private vehicles, automatically voids any such personal coverage that an owner may have in place.

A close second, are the driver and vehicle requirements. The regulations in place require that any vehicle coming into service meet mileage restrictions for entry, along with vehicle type, and age to name

only a few. Additionally, there are maximum mileage restrictions. These requirements bear a significant financial burden, and allowing TNC's to operate without them places TC's at a economical disadvantage.

Especially in Philadelphia, there is a lengthy and costly process to certify drivers. By allowing these companies to forego these requirements, you are inadvertently creating a "tax" on the industry, and "exempting" the TNC's. Why should a potential driver pay an excessive annual certification fee, and wait weeks, if not longer, for a training or test date, and jump through a laundry list of regulatory paperwork, when that same driver can apply at a TNC and theoretically be working the next day? How are we to be expected to replace drivers or grow with this disadvantage?

Are you going to allow Surge-Pricing? This is where they charge a multiple of their normal rate, because it is a holiday, inclement weather, they're busy or whatever other reason they may have at the time. It is common knowledge that they calculate their charge to the rider through an algorithm they developed, through a smartphone. Has this been certified through Weights and Measures for accuracy?

I have several other concerns with this Bill, however, it is my hope that the significance of the issues I did raise are enough for you to delay voting on, and approving this Bill until there has been ample time to properly vet my concerns. I would be honored to be afforded the opportunity to meet with anyone interested in discussing these concerns, as I'm sure, other industry leaders would be too.

The financial hardships of this Bill being passed in its current form would be devastating to not only our companies, but the industry as a whole. I just recently read an article concerning the impact that TNC's have had to the taxi industry in San Francisco over the last year. Ridership has decreased approximately 50% during that time. With the economical impact of this proposed Bill, along with the loss of ridership & drivers, may result in a unrecoverable death spiral for the industry as we know it. You may be inclined to assume that the proposed service is somehow preferable, maybe it is, maybe it isn't, however are you willing to gamble with the livelihood, jobs, and financial ruins of tens of thousands of jobs? Why shouldn't all concerned be held to the same standard and let the riding public decide their preference?

I respectfully request, no, I implore you, please, do not rush this, or any other similarly related Bills to Vote. There are no justifiable reasons that the TNC's cannot or should not be subject to the same rules & regulation as us. If what they say is true, that they are not a transportation provider, but only a "middle" person between the rider and the driver, then there already exists a classification of **Broker**. It is my understanding, strengthening this very point, that they have already done that. This is what they are, and addresses almost, if not all of their claims of what they do. However, as any great magician, they keep you busy in one direction, otherwise you might see the illusion. The trick? Avoiding as many regulations, fees, tax's etc., as they provide the same service as already provided. The only caveat? The do it only digitally, and/or electronically with no overhead of an infrastructure and payroll of employees. Not only don't they bring much need jobs and opportunities to our State, my fear is it will result in much needed jobs being lost.

Uber specifically, but the other TNC's as well, can only be paid through a credit card associated with the riders account. This is problematic for multiple reasons. First, not everyone has a credit card, and secondly, it seems their main interest, is only the most lucrative 70% percent of the potential ridership. What happens to the bottom percentage of ridership that do not have a credit card, can't afford their service, or unfortunately reside in less desirable neighborhoods? With the very real potential decrease of current TC's, how are these riders supposed to get to and from their doctor appointments, shopping needs, or other less desirable transportation needs.

As I have previously stated, we, along with other TC's, already have implemented similar technology and have integrated it with our current dispatch infrastructure, without the *Exemptions* that the passage of this Bill will afford the TNC's.

If you, for whatever reason cannot honor my reasonable and prudent request of patience, then I request that an Amendment be added to ensure that the part of the State that will be most vulnerable, be excluded from this Bill. If you believe the service that the TNC's can, in some way be beneficial in other areas in the state, then exclude the areas that have the very real probability of industry collapse, if this Bill is passed. Philadelphia and the surrounding four counties (Bucks, Chester, Delaware, & Montgomery), have what I believe to be the most significant, & advanced taxicab & limousine infrastructure in the State. As such, excluding these 5 counties is a reasonable request.

If Uber & Lyft or another TNC decides to provide transportation in these 5 counties, then they can and should be required to follow the same rules and regulations as everyone else are subject to. Doing otherwise, would effectively be deregulating their entry and operation, which is not in the consumers best interest.

It is not our intention to ban their entry or to restrict them to unreasonable requirements, just the opposite, we only request that they be held to the same regulations and requirements as the rest of the industry.

Please call me if you have any further questions at 215-416-2012.

Respectfully,

Edward M. Burkhardt

Edward M. Burkhardt
VP