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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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November 30, 2016

Chairman Gladys Brown
Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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DEC - 5 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

TO: SEC
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16 DEC - 1 PM 12:02
CHAIRMAN'S OFFICE

RE: Temporary Rulemaking for the Taxi and Limousine Industries
Docket No.: L-2016-2556432

Dear Chairman Brown:

As you know, the General Assembly devoted a considerable amount of time over the last two legislative sessions considering the changing transportation landscape in Pennsylvania and creating a statutory framework to enable all transportation carriers effectively compete in the state. One part of that framework was contained in Act 85 of 2016 which directed the Commission to promulgate temporary and permanent regulations to modernize the taxi and limousine industries so they can compete on more equitable terms with Transportation Network Companies (TNCs).

It is our understanding that the Commission intends to consider temporary regulations at an upcoming public meeting and while we believe the language of Act 85 is clear, we also believe it is important to reiterate the legislative intent behind those provisions. As noted above, the overarching goal of Act 85 is to create an environment where PUC regulated motor carriers can meaningfully compete with TNCs and it is imperative that the Commission's regulations are consistent with and promote this goal.

Act 164 of 2016 established a statutory framework for TNCs that permits these providers to charge flexible rates via a digital network including the ability to implement dynamic or surge pricing at times of high demand. One of the most important provisions of Act 85 requires the Commission to address taxi and limousine rate and tariff change procedures including flexible and reduced rate structures. The intent of the legislature in including this requirement was to ensure that taxi and limousine service providers are not unfairly disadvantaged when operating in competition with TNCs and to ensure that consumers have a variety of transportation options available to meet their needs.

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Under current Commission regulations, taxi cab and limousine companies must charge, at all times, rates consistent with their PUC approved tariffs. These carriers have no ability to lower or increase fares or offer discounted fares in real time to respond to customer demand and compete with TNCs. For example, we have been informed that Uber is providing discounted rides from the Pittsburgh International Airport during times of high demand and that these discounts enable passengers to travel from the Airport to downtown Pittsburgh for \$20. A taxi fare for an identical trip is approximately \$45. The imbalance in the rate requirements for taxis versus TNCs is driving taxi cab service away from the airport and inhibits competition within the transportation service industry. Consistent with the legislative intent of Act 85, the Commission's regulations should minimize, if not eliminate, this barrier to competition to create a more level playing field and permit taxis and limousines to effectively respond to customer demand in a manner similar to what is authorized for TNCs in Act 165.

Many of the comments filed in response to the Commission's August 11, 2016 order proposed that tariff adjustments in real time be permitted to respond to customer demand and create an environment in Pennsylvania that supports competition among and between transportation service providers. We agree with these proposals and believe that permitting immediate and flexible tariff adjustments for taxis and limousines, similar to what is authorized for TNCs, is required by the substance and spirit of Act 85.

Thank you for your attention to this matter.

Sincerely,



Robert W. Godshall, Majority Chairman
Consumer Affairs Committee



Peter J. Daley, Minority Chairman
Consumer Affairs Committee

CC: Commissioner Andrew G. Place, Vice Chairman
Commissioner John F. Coleman, Jr
Commissioner Robert F. Powelson
Commissioner David W. Sweet
June Perry, Director, Legislative Affairs



House of Representatives

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