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The Democratic Leader



Senate of Pennsylvania

December 5, 2016

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

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

Dear Chairman Brown,

As you know, over the past two years the General Assembly has been deliberating major changes to the statutes and regulations governing both taxi cabs and TNC's in Pennsylvania. As part of those deliberations the General Assembly has provided the Commission with the ability to expeditiously revise and update certain regulations governing the taxi industry. More specifically, Act 85 of 2016 provides that the Commission shall promulgate temporary regulations governing the taxi and limousine industries. As you develop temporary regulations to modernize the taxi and limousine industries, I feel that it is important to state what I believe is the legislative intent regarding certain provisions contained in Act 85.

Taxi Tariffs

At present taxi cab companies have no ability to lower or increase fares in "real time" as they attempt to compete with TNC competitors such as Uber and Lyft. For example, I learned that Uber has discounted fares by 50% during busy times at the Pittsburgh Airport. So a passenger can take an Uber from the Airport to downtown Pittsburgh for \$20, while a taxi costs approximately \$45. This is unfair advantage and is driving taxi cab service away from the airport. Taxi cabs have no ability to discount fares. And once there are fewer taxis servicing the airport, Uber will likely begin to "surge" price rides from the airport in order to get drivers to do trips -- negatively impacting the riding public. The intent of Act 85 is to allow the taxi industry the ability to adjust fares up or down in "real time" within a range approved by the PUC.

COMMITTEES

RULES AND EXECUTIVE NOMINATIONS,
MINORITY CHAIRMAN

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In comments filed in this proceeding by the taxi industry, a concept was put forth to provide for a taxi fare "range" from \$0 to a 4X multiplier on top of current fares, so that all taxi companies could begin to adjust pricing in the least burdensome way possible. I believe that it is vitally important that tariff adjustments be allowed in "real time" within a preapproved range, as long as there is prior notice to the passenger. If the Commission requires taxi companies to provide 24-hour notice to the PUC before changing their fare (or tariff), it will effectively prevent taxi cabs from competing in real time with their TNC competitors such as Uber and Lyft. As long as consumers receive advanced notice of the range that is within the limitations set forth in the tariff, and thus able to compare the price ranges of multiple ride options at any given time, I do not believe it is necessary to require 24-hour advanced notice to the PUC.

Vehicle and Equipment Requirements

The Commission recently implemented a mileage cap of 350,000 on taxi cabs. The taxi industry claims that it is very cumbersome and expensive to have to track all of their vehicles constantly to ensure that no driver is exceeding the mileage cap at any given time. Instead, taxi companies should be allowed to conduct an annual review of their taxi fleet at the end of each year and remove any vehicles that are close to the mileage limit. I believe the Commission should require an annual review of the fleet while also protecting the public by ensuring that no taxi cab vehicle surpasses 400,000 miles.

Thank you for your attention to this matter. Please feel free to contact me directly if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Senator Jay Costa". The signature is written in a cursive, flowing style.

Senator Jay Costa
43rd Senatorial District

CC: Andrew G. Place, Vice Chairman
John F. Coleman, Jr, Commissioner
Robert F. Powelson, Commissioner
David W. Sweet, Commissioner



Senate of Pennsylvania

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