

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION**
Harrisburg, PA. 17105-3265

Petition for Emergency Relief of the Pennsylvania
Taxi and Paratransit Association.

P-2008-2013624

EMERGENCY ORDER

On January 10, 2008, the Pennsylvania Taxi and Paratransit Association (PTPA) filed a Petition for Emergency Relief with the Commission. In its petition, the PTPA alleges that it is a duly organized association whose members are taxi, limousine and paratransit operators licensed to operate within the Commonwealth of Pennsylvania and are regulated by the Commission. The PTPA alleges that on or about January 2, 2008, most, but not all of its members, received annual assessment invoices from the Commission for their 2007-2008 assessments. Payment of the assessment is due within 30 days of receipt of the invoice.

PTPA alleges that due to a change in the utility groupings and assessment factors used by the Commission, the assessments billed to its members have increased by approximately 320%. PTPA states that this significant increase has created a financial hardship on its members. PTPA requests an installment payment plan, rate relief, or any other relief the Commission deems appropriate.

At its public meeting held November 8, 2007, the Commission approved assessments factors for the transportation industry based on three (3) utility groups: motor carriers of property, motor carriers of passengers, and railroads. This grouping is consistent with prior Commission treatment of these utility groups for assessment purposes and reflects more accurately the costs of regulation attributable to transportation utility groups providing the same kind of service. Based on the Commission-approved assessment factors, the Fiscal Office then calculated the assessment bill for individual utilities, in accordance with the statutory formula, and mailed assessment notices and invoices to transportation utilities.

The Commission recognizes that the assessments charged to motor carriers of passengers and railroads have increased significantly over the prior year's assessments. And while the statutory scheme provides for after the fact hearings on timely filed objections, the amount billed must be paid within 30 days of the assessment notice and invoice, unless the Commission provides otherwise. In response to this increase, the Commission has been apprised by numerous motor passenger carriers, beyond PTPA, and railroads that immediate payment of the assessment is unduly burdensome due to the magnitude of the increase and the inability to prepare for such an increase.

Consistent with 66 Pa. C.S. §510(c), the assessment notices and invoices notified the utilities, *inter alia*, that payment of the assessment was due within 30 days of receipt of the invoice. In light of the significant increase and the limited ability of the utilities to budget for same, I find an emergency situation exists, as defined at 52 Pa. Code §3.1. Accordingly, I will order that the Commission allow motor carriers of passengers and railroads to pay their 2007-2008 assessments in three (3) equal installments of 1/3 each of the total assessment amount. If a carrier chooses this option, the first payment is due on March 15, 2008. The second payment is due on or before June 15, 2008. The third

payment is due on or before September 15, 2008. Otherwise, the total amount assessed will be due on or before March 15, 2008.

This action does not diminish the assessment obligations owed by these utilities, as set forth in their invoices but, rather, aids these transportation utilities in meeting their assessment obligations.

Additionally, I believe that an opportunity for immediate rate relief is warranted under these circumstances. The additional assessment amount required to be paid by motor carriers of passengers is substantial and undisputed, and is equal to 1% of each carriers' intrastate gross revenues.¹ I authorize motor carriers of passengers to add a temporary surcharge onto the final amount of each fare in order to bridge this revenue shortfall necessitated by the assessment. Further guidance on the effective date and mechanics of implementing the temporary surcharge will be provided in the Commission's January 24, 2008 ratification order.

Finally, I note that the assessment notice and invoices were mailed by the Fiscal Office during the year end holidays and that this may have adversely affected the ability of some carriers to exercise their right to file timely objections under the statute. In order to maximize the opportunity of carriers to challenge their assessments and have a hearing on their claims, I will direct the Fiscal Office to issue supplemental notices of assessment to each transportation utility. The Commission will accept objections filed within 15 days of the supplemental notice as timely filed objections; **THEREFORE,**

¹ Each utility's assessment is the product of the Commission-approved assessment factor, based on direct and indirect hours allocated to industry groups, and the utility's gross intrastate revenues from the prior calendar year, as reported to the Commission pursuant to Section 510(b). The assessment factor for passenger motor carriers increased from 0.002955350699 for fiscal year 2006/07 to 0.013160906903 for fiscal year 2007/08, which equates to an increase of approximately 1% of each carrier's gross intrastate revenues.

IT IS ORDERED:

1. That the Petition for Emergency Relief filed by PTPA is granted consistent with this emergency order.
2. That an installment payment plan for motor carrier of passengers and railroads is hereby granted for payment of the 2007-2008 Commission assessments. Motor carriers of passengers and railroads may pay their 2007-2008 assessments in three (3) equal installments of 1/3 of the total assessment amount. If a carrier chooses this option, the first payment is due on March 15, 2008. The second payment is due on or before June 15, 2008. The third payment is due on or before September 15, 2008. Otherwise, the total amount assessed will be due on or before March 15, 2008.
3. That motor carriers of passengers are authorized to add a temporary 1% surcharge onto the final amount of each fare; further guidance regarding implementation of the temporary surcharge will be provided in the January 24, 2008 ratification order.
4. That the Fiscal Office shall issue supplemental notices of assessment to each transportation utility; the Commission will accept objections filed within 15 days of the supplemental notice as timely filed objections

Date: January 14, 2008

Wendell F. Holland
Wendell F. Holland, Chairman