

COMMONWEALTH REGULATION OF TAXICAB AND LIMOUSINE SERVICES

Report Highlights

- **The Medallion Program (Act 1990-21) Has Been Successful in Improving Taxicab Service in Philadelphia.** The 1,600 medallion taxis operating in Phila. must meet enhanced vehicle, driver, and other operating standards. A medallion can cost \$80,000 or more. Although problems remain, no one we interviewed thought the Medallion Program should be terminated.
 - **Limousines Are Providing “Taxi” (Call or Demand) Services, Particularly in Philadelphia.** Limousine services are to be provided only through an advance reservation. The PUC has not clarified this term, and limousines routinely pick up “call or demand” passengers, especially at certain Phila. hotels and at the airport. This results in unfair competition, particularly in Philadelphia where it requires a significantly greater financial commitment to own and operate a medallion taxi than a limousine.
 - **The First Class City Taxicab Regulatory Fund Has an \$11 Million Balance.** The PUC’s February 2000 medallion auction boosted the Fund from \$485,000 to \$11.4 million. As a consequence, the PUC is reducing certain medallion fees. An August 2001 policy change by the Office of the Budget resulted in interest now being deposited back into the Regulatory Fund instead of the General Fund.
 - **The PUC Is Taking Steps to Improve and Consolidate the Medallion Program’s Administrative Functions.** The PUC plans to inspect each medallion taxicab on a designated date beginning in April 2002; implement a comprehensive data system for tracking medallion transactions and drivers’ records; and transfer all medallion procedures to the PUC’s Phila. district office. However, unless PENNDOT modifies its procedures, many medallion owners will still need to travel to Harrisburg.
 - **Regulation of Taxis and Limousines Varies Widely Across the Country.** In most states, taxis and limousines are regulated at the municipal level. In March 2001, the PUC proposed a policy (similar to the policy it adopted in March 2001 for limousines) to eliminate two of the three criteria used to control entry into the taxi market: the need for the service and effect of the new service on existing companies. Numerous parties objected to making such a significant change through a policy statement, and the PUC withdrew its proposed policy in October 2001. Instead, it directed its Office of Administrative Law Judge to hold hearings and make a recommendation by June 2002.
 - **Taxicab Service in Allegheny County Should Improve as a Result of Recent Initiatives.** Recent efforts (creating a ground transportation enhancement task force; introducing metro services and PT Cruisers in the downtown area; and establishing taxi stands) should help alleviate long-standing problems with taxi service in Pittsburgh.
 - **Limousines Are Not Regulated in Allegheny County.** Due to jurisdictional conflicts between the PUC and the Allegheny County Port Authority, limousines have not been regulated in Allegheny County since 1982.
- Recommendations:**
- *The PUC should take the following steps regarding limousine service: develop enhanced vehicle standards; prohibit use of meters; restrict parking where limousines provide unauthorized (call or demand) services; clarify its advanced reservation requirement; and enhance enforcement efforts. (See also last recommendation below.)*
 - *The PUC should restrict Phila. taxi dispatch services from using Medallion Program requirements to generate business for their limousine interests.*
 - *The PUC should work with PENNDOT so that all medallion taxi transactions occur in Philadelphia.*
 - *The PUC should collaborate with the Phila. police to enforce the requirements of the Medallion Program, especially at the Phila. International Airport.*
 - *The General Assembly should consider certain technical and administrative changes to Act 1990-21: e.g., eliminate PUC medallion lien filing.*
 - *The General Assembly should give the PUC authority over limousines in Allegheny County.*
 - *The PUC should develop additional standards for non-medallion taxicabs (outside of Philadelphia), limousines, and their drivers including: individually registering vehicles with the PUC; developing an inspection plan to target poor vehicle maintenance histories; and requiring all drivers to undergo driver history and criminal background checks.*