

IN THE MATTER OF:

Proposed Increase in INTERSTATE)	Served February 22, 1974
RATES for Taxicabs Domiciled in)	
the District of Columbia)	Application No. 819

On November 28, 1973, the United Brotherhood of D. C. Taxicab Drivers (Brotherhood) filed a petition which seeks increases in the rates for the interstate transportation of persons in its member taxicabs. Basically, the petition seeks (a) an increase of 10¢ per mile over the current rates, 1/ (b) double fare for passengers travelling into Prince George's County, Maryland, and (c) double fare for passengers travelling 7 miles or more on trips within the Metropolitan District between the hours of 9 o'clock Saturday night and 6 o'clock Monday morning. The petition contains no justification or support for the proposed rate changes.

In Order No. 1291, served December 21, 1973, the Commission instituted an investigation of the existing and proposed rates for interstate taxicab service rendered by all taxicabs licensed in the District of Columbia. As part of that investigation, Brotherhood was required on or before January 28, 1974, to submit certain specified data relating to the cost of operating a taxicab as of December 9, 1968 (the effective date of the last rate prescription) and as of December 31, 1973. In addition, Brotherhood was required to submit statements of justification for the double fare proposals outlined in (b) and (c) of the first paragraph of this order.

The Commission also directed its staff to cause notice to be published in newspapers of general circulation in the Metropolitan District once per week between January 6 and January 26, 1974, indicating the content of Brotherhood's petition and requiring any person desiring to become a party respondent or otherwise to be heard on the matter to

1/ As prescribed by Order No. 887, served November 29, 1968, the current interstate rates for taxicabs licensed and regulated by the District of Columbia Public Service Commission are as follows: \$.60 first mile, \$.25 each additional 1/2 mile; and \$.20 each additional passenger.

contact the Commission on or before January 28, 1974. Appropriate notice was published and comments were received from Mr. Irving Schlaifer and Prince George's County.

Evidence Submitted by Brotherhood

On January 21, 1974, Brotherhood filed the information required by Order No. 1291, except that it withdrew the double fare proposals and submitted no statements of justification therefor. 2/

Brotherhood submitted four exhibits. Exhibit A is a comparison of the expenses of operating a taxicab in 1968 and 1973, including an analysis of the percentage increase of the costs of taxicab purchase, taxicab rental, association fees, regular and premium grade fuel, various grades of oil, transmission fluid, liability and collision insurance, tires, labor, batteries, wheel alignment, brake service, and tire repair. Increases in operating costs, which ranged from 9.5 percent for grade 1 motor oil to 100 percent for association fees, averaged 31.8 percent for the items listed. These costs were compared with a requested fare increase of 19.2 percent as calculated in Exhibit B.

Exhibit B compares the single passenger fare 3/ for interstate taxicab transportation in taxicabs licensed in all jurisdictions within

2/ Prince George's County, singled out for double fares in Brotherhood's original proposal responded by letter dated December 27, 1973, that ". . . we would have no objection to a fare increase for D. C. taxicabs entering Prince George's County if the proposed rate were comparable to that shown on our schedule. We could not concur, however, in doubling the current fare for trips into Prince George's County." By letter dated January 24, 1974, Prince George's County reiterated its opposition to the latter proposal and added its opposition to the proposal of double fare for trips over 7 miles between 9:00 p.m. Saturday and 6:00 a.m. Monday. Since both double fare proposals have been withdrawn, and the proposed 10¢ per mile increase would, if granted, leave D. C. interstate taxicab rates below those of Prince George's County, we consider these objections vitiated.

3/ All interstate party rates are established by this Commission as being one individual fare plus 20¢ for each additional passenger. Thus, this factor may fairly be eliminated from any comparison.

mile trip. This comparison indicated that the interstate fares charged by taxicabs in all suburban jurisdictions 4/ are higher than the interstate fare prescribed for District of Columbia taxicabs. Exhibit B also shows that Brotherhood's proposed rate is more comparable with suburban rates, although generally lower.

Exhibit C of Brotherhood purports to compare the present and proposed interstate rates of D. C. taxicabs with the current interstate rates for suburban jurisdictions. This exhibit contains certain errors, the most significant of which is that the rate for Alexandria taxicabs has been substantially increased since Brotherhood collected its data. This somewhat taints the comparisons in Exhibit B because they were calculated at the rates on Exhibit C. However, the Commission has taken these aberrations into account in analyzing Brotherhood's data.

Exhibit D indicates the sources from which Brotherhood drew the comparative data in Exhibit A. Exhibit D includes statements and comparative financial data from local businesses dealing with the taxicab industry.

Additional Proposal

In response to Application No. 819 and our Order No. 1291, taxicab owner/operator Irving Schlaifer (Schlaifer) proposed a different rate structure than that proposed by Brotherhood. However, Schlaifer did not submit the cost data and justifications which were required by Order No. 1291. Rather, he preferred to rely upon the detailed information which might be submitted by others. Basically, Schlaifer proposed the following rates for interstate taxicabs licensed and regulated by the District of Columbia: 80¢ for the first mile, 40¢ for each additional half-mile, and 40¢ for each additional passenger. In addition, Schlaifer proposed that no passenger ride free because of age, that the "50¢ toll charge" at Washington National Airport be passed on to the passenger,

4/ In Order No. 67, served October 9, 1961, the Commission prescribed that the interstate rates to be charged by operators of taxicabs licensed and domiciled in Prince George's County and Montgomery County, Maryland, and the City of Alexandria, the City of Falls Church, Arlington County and Fairfax County, Virginia, shall be identical to those rates which are prescribed and approved by the governing bodies of the local jurisdictions for such operators, except that the charge for each additional passenger in excess of one shall be 20 cents per passenger. Taxicabs licensed and domiciled in those jurisdictions then, as today, were required to be equipped with meters, and the Commission did not feel that it would be in the public interest to defeat the purpose of the meters by superimposing a rate on the interstate operations of these taxicabs which would be incompatible with the local meter rate. This method became effective

that there be a 50¢ extra charge for rush hour service, that a 40¢ extra charge per empty seat be assessed passengers requesting that no additional passengers be picked up, that 10¢ per suitcase or large bag be charged, that 25¢ each be charged for carrying bags or suitcases beyond curbside, that \$1.50 per trunk be charged and \$1.00 for carrying such trunk beyond curbside, that the charge for waiting time be 10¢ per minute, that \$6 per hour be charged for hourly employment, that the greater of the total applicable fare or 15¢ per minute be charged except for group riding, and that a negotiated rate be permitted for moving personal property. 5/

The data submitted by Brotherhood was designed to support its own proposals, and did not directly address the subject matter of the Schlaifer proposal. Nevertheless, we include herein consideration of the basic Schlaifer proposal as useful counterpoint to consideration of the Brotherhood proposal.

Comparison of Interstate Rates and Proposals

TABLE I

	Actual Rates		Rates Converted To Miles	
	Initial Charge	Rate After Initial Charge	First Mile	Subsequent Miles
District of Columbia				
Present	60¢ 1st mile	25¢ ea. 1/2	60¢	50¢
Proposed (Brotherhood)	70¢ 1st mile	30¢ ea. 1/2	70¢	60¢
Proposed (Schlaifer)	80¢ 1st mile	40¢ ea. 1/2	80¢	80¢
Alexandria	60¢ 1st 1/3	10¢ ea. 1/6	\$1.00	60¢
Arlington	50¢ 1st 1/2	10¢ ea. 1/6	80¢	60¢
Fairfax-Falls Church	60¢ 1st 2/3	10¢ ea. 1/6	80¢	60¢
Montgomery	60¢ 1st 3/5	10¢ ea. 1/5	80¢	50¢
Prince George's	70¢ 1st 5/6	10¢ ea. 1/6	80¢	60¢

Table I shows that none of the local jurisdictions prescribe the same initial charge. Distances on this "first drop" or minimum rate range from 1/3 mile to 1 mile. For purposes of comparison, Table I converts these rates into whole miles, showing that rates in suburban jurisdictions are actually more closely comparable for the first mile of service than they might appear from the initial charge.

5/ On February 4, 1974, Schlaifer submitted amendments to his proposals calling for "not less than \$6.00 Charge per hour" for hourly employment, and for "cab drivers to have a net take home pay of not less than \$5.00 per hour".

Comparison of rates, however, is less useful than comparison of fares. Therefore, we have prepared the following table to show how these rates convert to fares for single passenger trips of 5, 10 and 15 miles without extra or miscellaneous charges. 6/

Comparison of Interstate Fares and Proposals

TABLE II

	<u>5 Miles</u>	<u>10 Miles</u>	<u>15 Miles</u>
District of Columbia			
Present	\$2.60	\$5.10	\$ 7.60
Proposed (Brotherhood)	3.10	6.10	9.10
Proposed (Schlaifer)	4.00	8.00	12.00
Alexandria	3.40	6.40	9.40
Arlington	3.20	6.20	9.20
Fairfax-Falls Church	3.20	6.20	9.20
Montgomery	2.80	5.30	7.80
Prince George's	3.20	6.20	9.20

Table II shows that apparently minor differences in the rate may become significant differences in the fare due to the mileage multiplication factor. Present interstate fares for D. C. taxicabs, are, without exception, lower than the prevailing fares in suburban jurisdictions. The Brotherhood proposal approaches the existing fares in all suburban jurisdictions except Montgomery County where Brotherhood's proposed rate would be 10¢ lower for the first mile, the same for two miles, and 10¢ higher for the third and each subsequent mile. On the other hand, the Schlaifer proposal would generate fares which are significantly higher than any other rates in the Metropolitan District.

Meter Differential. Table II does not take into account the fact that taxicab meters are alternately driven by a clock mechanism which overrides the mileage mechanism at times when the speed of the vehicle drops below approximately 7 miles per hour. During such times the meter will charge at a predetermined hourly rate, generally about \$6 per hour. Thus, the same trip in a metered taxicab may result in different fares depending upon actual traffic conditions and the total time elapsed per trip. Generally, the fare would be slightly higher than the same trip in an unmetered vehicle operating under the same rate structure.

6/ Generally, the Commission prescribes the rates for extra and miscellaneous charges of interstate taxicabs to be those prescribed by the local jurisdiction in which the taxicab is licensed.

Extra Passenger Charge or Party Rate

Although Brotherhood has not proposed any change in the existing party rate of 20¢ for each passenger in excess of one, we believe a general review of such charges is in order. Schlaifer proposes the party rate be raised to 40¢. Locally, the licensing jurisdictions prescribe the following party rates for service not under the jurisdiction of this Commission:

Alexandria, 20¢ each in excess of one
Arlington, 40¢ in excess of one
Fairfax-Falls Church, 25¢ each in excess of two
Montgomery, 25¢ each in excess of two
Prince Georges,
 inside County, 20¢ each in excess of one
 outside County, 50¢ each in excess of one

The Commission has considered the extra passenger or party rates. We perceive no compelling reason to change the existing uniform party rate of 20¢ for each passenger in excess of one for interstate taxicab service within the Metropolitan District.

Waiting Time and Miscellaneous Charges

The petition filed by Brotherhood on November 28, 1973, did not request a change in the rate for waiting time. However, a footnote to its submission of January 21, 1974, indicates that it seeks "\$.10 per minute waiting time, (\$6.00 per hour)."

When the Commission issued Order No. 1291 on December 21, 1973, it required that newspaper notice be published of the proposed increased rates. Since no increase in charges for waiting time was proposed at that time, the published notice did not reflect a request for a change in such charges. Therefore, the matter is not properly before the Commission at this time.

Further, it has long been the policy of the Commission to show a great degree of deference to the local licensing jurisdictions in the establishment of rates, particularly in the area of miscellaneous charges, those beyond the basic charges for normal taxicab transportation. Wide variations in miscellaneous charges exist among the various local licensing jurisdictions. They exist, locally, outside the jurisdiction of this Commission. Furthermore, the Commission believes that such variations are locally established in response to valid sub-regional considerations

and may be permitted to exist to the extent they do not violate the basic rate-making criteria established in the Compact. The Commission believes it is more convenient for both passengers and operators to deal with as few differences as possible in charges for intrastate and interstate service.

The above discussion applies equally to the Schlaifer proposal, which also deals with waiting time as well as a full range of miscellaneous charges.

Findings and Conclusions

In response to the petition of Brotherhood and our rate prescription function as set forth in the Compact, we must determine whether it is appropriate to establish a new rate structure for interstate service by D. C. taxicabs within the Metropolitan District.

The data submitted by Brotherhood support the conclusion that expenses attending the operation of taxicabs have risen markedly. The magnitude of the increased expenses justifies the requested increase of 10¢ per mile in the rates.

We have also considered the matter from the aspect of the value of service and conclude that the present interstate rates for District of Columbia taxicabs are significantly lower than rates for similar service charged by taxicab operators in suburban jurisdictions, even though such service is essentially the same for all taxicabs within the Metropolitan District. We have also concluded that the increase in the mileage rate proposed by Brotherhood would produce interstate fares which are closely comparable to fares received by operators rendering taxicab service pursuant to the rates established by local suburban jurisdictions and prescribed by us as the applicable interstate rate. However, the application of this standard to the mileage rate proposed by Schlaifer results in a different conclusion. We find that Schlaifer's proposed rates would produce fares which would be substantially higher than those locally authorized for taxicab service.

In arriving at our ultimate findings, the Commission has given due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the effect of rates upon the movement of traffic by the carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such

service; and to the need of revenues sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service.

We find that if Brotherhood's proposed mileage rate is granted for taxicabs licensed in the District of Columbia, and all other rates and charges remain as prescribed by the District of Columbia, and if the extra passenger charge is retained uniformly at 20¢ for interstate taxicabs throughout the Metropolitan District, then the interstate rates prescribed by this Commission for all taxicabs licensed by local jurisdictions within the Metropolitan District will be just and reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District.

THEREFORE, IT IS ORDERED:

1. That Application No. 819 of the United Brotherhood of D. C. Taxicab Drivers for increased taxicab rates be, and it is hereby, denied.

2. That the rates for interstate taxicab transportation between points within the Metropolitan District for taxicabs licensed and regulated by the District of Columbia Public Service Commission be, and they are hereby, prescribed as set forth in Appendix A, attached hereto and made a part hereof.

3. That the rate structure prescribed herein become effective 4:00 a.m., Monday, March 4, 1974.

BY DIRECTION OF THE COMMISSION:



HYMAN J. BLOND
Executive Director