

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1439

IN THE MATTER OF:

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| Investigation of INTERSTATE |) | |
| TAXICAB FARES Between Washington |) | Served June 20, 1975 |
| National Airport and Points in |) | |
| the Metropolitan District |) | Docket No. 265 |

By Order No. 1330, served June 5, 1974, the Commission, on its own motion, instituted an investigation to determine whether the current interstate fare system applicable to transportation by taxicabs operating at Washington National Airport (National) was in the public interest. The investigation embraced a study of alternative fare systems for transportation by taxicab to or from National and the administration and enforcement of the fare system to be applied to such transportation.

The Commission also dismissed without prejudice Application No. 831 filed by the Taxicab Industry Group (TIG). See Order No. 1331, served June 5, 1974. That application sought a twenty-five cent surcharge upon each passenger departing from National by taxicab. The impetus for the application was the fifty-cent fee imposed by the Metropolitan Washington Airport Service of the Federal Aviation Administration (FAA), upon taxicab operators who solicit passengers at National. Consideration of recognizing the fifty-cent fee in the fare was made part of the investigation.

The investigation resulted from the Commission's receiving an unprecedented number of complaints from travellers engaging the services of taxicabs from National. The complaints related primarily to alleged overcharges for interstate taxicab service. A preponderance of the complaints were filed by individuals or parties transported with other persons in shared-riding situations. The flood of complaints commenced shortly after the FAA, on January 1, 1974, established an "open cab system" at National.

Under the open cab system any person (not necessarily a licensed taxicab operator, and not necessarily operating a properly licensed and inspected taxicab) was authorized to solicit business there on payment of a fifty-cent fee.

The Commission solicited written expressions of views, recommendations, and alternative fare system proposals from the general public, organized elements of the taxicab industry, individual taxicab operators, the FAA, local licensing and regulating agencies, affected municipalities and jurisdictions, and other interested parties. Some 14 statements were received. A public hearing was then held on June 28, 1974, at which 12 persons representing themselves or interested organizations made statements.

By Order No. 1348, served September 5, 1974, the Commission circulated a Staff Report setting forth a summary of the written and oral statements. The Report discussed the origin and nature of the complaints by passengers, proposals for remedying the complaints, and proposals recommended by the Commission staff for consideration. The Report also summarized an analysis of 117 complaints filed with the Commission between January 1974 and July 1974, involving taxicab service at National. Of the 117 complaints analyzed, 91 involved passengers who boarded at National. The Order also set September 27, 1974, as a day for additional hearings.

The Staff Report emphasized that the Commission's jurisdiction over taxicabs is limited to prescribing reasonable rates for interstate movements within the Metropolitan District and determining that the rates are properly applied by the taxicab operator. The Compact also authorizes the Commission to establish minimum insurance coverage requirements. The Compact prohibits the Commission from requiring the installation of taximeters unless permitted or required by the licensing jurisdiction involved. The Commission has no jurisdiction over rates pertaining to trips which are entirely within one member jurisdiction, and, hence, cannot set rates for trips between National and other Virginia points.

As to fare systems, the staff recommended continuation of the current dual system by which metered taxicabs perform interstate service at the same meter rates established by their licensing jurisdiction and non-metered taxicab rates are

established by the Commission on some other basis. The staff expressed a preference for mileage-based, odometer determined interstate rates for non-metered taxicabs but also advanced for consideration, as an alternative, a modified circular zone system applicable to trips between National and points in Maryland or the District of Columbia.

This was a modification of the mileage rate zone system proposed by Mr. Irving Schlaifer, a District of Columbia taxicab operator who participated in the proceedings. The staff's modifications sought to adapt the zone intervals and price increments to a level of fares approximating those presently authorized.

The operative center of the staff's proposed zone system would be the Jefferson Memorial, adjacent to the District of Columbia side of the 14th Street Bridge. The base fare from National to this center point would be \$1.90. The concentric arcs would be spaced at three-quarter mile intervals. The first zone would have a fare of \$2.40, and each zone thereafter would increase the fare by 50 cents.

The Staff Report pointed out that in any circular zone system based upon direct line distances, the arcs would demark zone boundaries that could lead to confusion and dispute. Particular buildings might be included in two adjacent zones. The staff recommended in such situations that the lower fare be applied.

The staff proposed no change in the additional charge of 20 cents for each passenger in excess of one who is part of a preformed party travelling to the same destination. Preformed parties with different destinations would be charged the zone fare to the farthest requested destination plus 20¢ per passenger in excess of one. Unrelated groups sharing the same vehicle, whether to the same destination or to more than one destination, would each be charged a proportional fraction of the zone fare applicable to the destination point of each; application of the proportional fraction would result in the taxicab operator receiving between 105 and 125 percent of the fare of an individual.

At the September 27th hearing session, the Commission's assistant executive director described the evolution of the Staff Report and answered questions regarding the underlying work processes. The record reflects the problems of locating a given destination point in a zone system and the extreme difficulties encountered in formulating an equitable rate structure for multiple destination taxicab trips. The TIG spokesman was concerned, primarily, with the fairness of prescribing a rigid system of circular arcs and its application to the grid system of streets and thoroughfares within the District of Columbia. TIG recognized that most complaints arose from loading unrelated persons or parties in the same taxicab without regard to the desires of the passengers, which often results in diversions leading to delay and uncertainty as to appropriate fares.

After the September hearing session, the Commission staff developed a proposed zone system applicable only to the District of Columbia. That zone system followed delineated streets, highways and other public roadways approximating the circular zones previously considered. This system was explained to interested parties and their comments were solicited.

As previously indicated, most complaints by taxicab passengers arose from disputes or dissatisfaction produced by the shared riding permitted by the FAA at National. Effective July 1, 1974, a few days after the initial day of public hearing in this investigation, the FAA amended its applicable federal regulations to limit taxicab loading at National to individuals or preformed groups travelling as a party. The number of complaints received by the Commission thereafter declined dramatically with respect to shared-riding abuses.

The Commission continues to receive a substantial number of complaints with respect to taxicab service originating at National. However, the focus of the complaints has changed from shared-riding situations to overcharges, unsafe vehicles, or reckless and rude operators. The complaints usually involve transportation by operators and vehicles which are not licensed and regulated either by the District of Columbia or one of the local jurisdictions within the Metropolitan District. Since operators of these vehicles are not locally licensed, they are not subject to discipline by the local jurisdictions with which this Commission cooperates.

This Commission has no authority to prescribe rules and regulations as to who shall be permitted to provide taxicab service, or to the condition of the vehicle in which the taxicab service is rendered. The WMATC's enforcement authority must be exercised by an action filed in the United States District Court for the District of Columbia. This procedure is cumbersome as an enforcement tool in light of the typical offense.

With respect to taxicab service rendered in vehicles by persons who are not licensed and regulated by one of the local jurisdictions within the Metropolitan District, the Commission has prescribed rates for interstate taxicab service and has established requirements for minimum insurance coverage. See Order No. 1306, served February 22, 1974. That order was necessitated by the FAA's permitting such persons and vehicles to solicit interstate taxicab passengers upon airport property. These persons or vehicles are not subjected to any other taxicab regulation. Thus there exists a segment of the taxicab industry that is, for all practical purposes, beyond the law. This segment can be subjected to comprehensive regulation and enforcement, as we see it, only if the FAA adopts service standards and makes compliance with its regulations a condition of operating at National. We believe that such a step would be the single most constructive action that could be taken to improve taxicab service at National and reduce rider complaints. The Commission would strongly support such action by the FAA and is willing to render such assistance as it could in the development of appropriate regulations.

From the foregoing, it follows that a revised fare system applicable to National Airport trips by unmetered taxicabs would not solve the problems that have produced the level of rider dissatisfaction that now exists. Abuse of one fare system is as easy as abuse of another by the unscrupulous. Indeed, adding another special fare system, applicable only to some trips by some taxicabs, would only exacerbate the already complex interstate taxicab fare structure and produce further customer confusion. The Commission therefore does not adopt any of the zone systems considered.

The final aspect of the investigation is consideration of the fifty-cent fee imposed by the FAA upon taxicab operators who are required by the FAA to pay this amount as a fee for soliciting passengers at National. The TIG has argued that since the fee represents a direct cost to the taxicab operator it should be included in the rate structure.

The open cab system is operated by a private company pursuant to a concessionaire's contract with FAA. The amount of the fee is established by FAA, and it is collected by the concessionaire. The fees collected constitute the income of the concessionaire, and a portion of this income is paid to FAA under the terms of the contract.

The FAA's fee does represent an expense to those taxicab operators who seek to solicit passengers and to perform taxicab service originating at National. Recognizing this, the Commission shall prescribe that the FAA fee currently assessed such operators shall be included as a surcharge on taxicab trips originating at National. Any taxicab operator originating an interstate taxicab trip at National and paying the fifty-cent fee charged by the FAA shall be permitted to collect a fifty-cent surcharge as part of the fare.

It might be said that the adoption of a surcharge on interstate taxicab trips originating at National, but not on interstate taxicab service terminating at National, creates the basis for a claim of discriminatory rate structure between sections of the Metropolitan District. Thus, an interstate taxicab trip from National to a designated point in the Metropolitan District would (because of the surcharge) result in a higher fare than a trip to National from the same designated point in the Metropolitan District. The difference in rates brought about by the adoption of the surcharge is justifiable under the general principle that a reasonable differentiation of rates among users of a public utility in different situations is not unlawfully discriminatory. The cost to the taxicab operator resulting directly from the FAA fee only occurs on interstate taxicab trips originating at National.

The surcharge shall be assessed per interstate taxicab trip from National. The FAA currently has limited the taxicab operator to one individual or a single preformed party. The surcharge shall be assessed the individual when only one person is travelling or the entire party when the trip is made by several individuals travelling as a preformed group. The surcharge will not be applicable to shared riding as does occur at National despite the FAA attempts to prevent such operations. Should it be possible to originate passengers at National without paying the fifty-cent FAA fee, application of the fifty-cent surcharge will be limited to parties for which the operator has actually paid the fifty-cent FAA fee.

THEREFORE, IT IS ORDERED:

1. That the investigation of interstate taxicab fares between Washington National Airport and points in the Metropolitan District instituted by the Commission upon its own motion, Docket No. 265, be, and it is hereby, terminated.

2. That the interstate taxicab rates for service within the Washington Metropolitan Area Transit District be, and they are hereby, amended to include a surcharge of 50 cents per interstate taxicab trip originating from Washington National Airport, except interstate taxicab trips carrying more than a single preformed party, provided, however, that the surcharge may not be applied unless the operator has paid the fifty-cent FAA fee.

3. That the amended rate structure prescribed herein shall become effective 4:00 A.M., Monday, July 28, 1975.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "W. R. Stratton", written over a horizontal line.

WILLIAM R. STRATTON
Vice Chairman