

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 2719

IN THE MATTER OF:

Served June 17, 1985

Investigation of INTERSTATE TAXICAB)
RATES for Service within the)
Metropolitan District)

Case No. MP-85-07

SUMMARY

For District of Columbia taxicabs operated in interstate service within the Metropolitan District, the effect of this decision is to:

1. increase the first-mile charge from \$1.70 to \$1.80,
2. increase the charge for each additional passenger in a pre-formed party from 75¢ to \$1.00, and
3. adopt for the first time in interstate service a p.m. rush hour surcharge of \$1.00 per trip from 4 p.m. to 6:30 p.m., Monday through Friday, except holidays, for trips originating in the District of Columbia.

For taxicabs of Air Transit, Inc., operated in interstate service within the Metropolitan District, the effect of this decision is to:

1. increase the charge for the first two-fifths of a mile from \$1.00 to \$1.20, and
2. increase the charge for each additional passenger in a pre-formed party from 75¢ to \$1.00.

For all taxicabs licensed in the Metropolitan District operated in interstate service within the Metropolitan District, the effect of this decision is to increase the charge for each additional passenger in a pre-formed party from 75¢ to \$1.00.

BACKGROUND

By Order No. 2698, served April 18, 1985, and incorporated by reference herein, the Commission, on its own motion, instituted an investigation of interstate taxicab rates for service within the

Metropolitan District. The scope of the investigation includes interstate taxicab rates for taxicabs licensed and regulated by the District of Columbia, for taxicabs operated by Air Transit, Inc., and for so-called "gypsy" taxicabs. The investigation also includes the uniform extra passenger charge applicable to all interstate taxicab service within the Metropolitan District. Notice of the investigation was published in a newspaper of general circulation in the Metropolitan District on April 22, 1985. Both the order and the notice invited interested persons to file written proposals, justifications, and statements by May 17, 1985.

The Commission received timely responses from three parties: Air Transit, Inc., Mr. Irving Schlaifer, and Eastern Cab Company, Inc., et al.

AIR TRANSIT, INC.

Air Transit, Inc. ("ATI"), operates taxicab service originating at Washington Dulles International Airport ("Dulles"), pursuant to a contract with the Federal Aviation Administration's Metropolitan Washington Airports ("FAA"). As pertinent to this proceeding the rates here involved are between Dulles, on the one hand, and, on the other, points in the District of Columbia, Montgomery County, Md., and Prince George's County, Md.

ATI employs taxicab meters, for which the interstate rates were most recently prescribed in Case No. MP-82-04 by Order No. 2340, served June 4, 1982. Those rates are as follows:

- \$1.00 First 4/10 mile or fraction
- .20 Each additional 1/5 mile or fraction
- .20 Each one minute twenty seconds waiting time
- .75 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

Other incidental rates are generally the same as those prescribed for District of Columbia taxicabs.

Mr. Van D. Wright, General Manager of ATI, submitted a statement on its behalf. ATI submits that the Commission should prescribe for it the following rate structure:

- \$ 1.00 First 2/6 mile or fraction
- .20 Each additional 1/6 or fraction
- 12.00 Per hour of waiting time

ATI suggests that the extra passenger charge should be retained as is.

MR. IRVING SCHLAIFER

Mr. Schlaifer is an independent taxicab owner-operator licensed in the District of Columbia. Mr. Schlaifer's rate proposals, interspersed with his comments thereon, are usefully concise and we shall excerpt them rather than attempt to paraphrase.

\$2.10 for the first mile.

The present rate of a \$1.70 for the first mile, is the same as the former D.C. one zone rate of \$1.70. The new D.C. one zone rate is now \$2.10. Therefore, the new first mile rate should be \$2.10.

60¢ for each additional half-mile.

\$1.25 for each additional passenger.

The present interstate rate of 75¢ for each additional passenger is the same as the former D.C. rate of 75¢ for each additional passenger. The new D.C. rate for each additional passenger is now \$1.25. Therefore, the new interstate rate for each additional passenger should be \$1.25.

\$1.00 rush hour surcharge 4 p.m. - 6:30 p.m. Monday thru Friday, except holidays.

40¢ per minute total time fare shall be used if it is greater than the total taxi fare. The total taxi fare shall be used if it is greater than the total time fare of 40¢ per minute. The total time fare of 40¢ per minute shall not be used whenever shared riding is used.

20¢ per minute waiting time.

The 20¢ per minute waiting time shall be added on to the total taxi fare whenever at the direction of the cab passenger, the cab driver is ordered to stop for several minutes on an interstate taxi trip. If for example, the requested stop used up 10 minutes, the cab driver shall have the right to add an additional \$2.00 to the price of the total taxi fare. The PSC has authorized a \$12 per hour taxi fare. This then becomes 20¢ per minute. This is how we arrive at the 20¢ per minute waiting time.

25¢ for each large bag of groceries, suitcases or articles of similar size. Briefcases and parcels of comparable size shall not be considered as hand baggage.

The \$1.00 rush hour surcharge 4 p.m. - 6:30 p.m. Monday thru Friday, except holidays is needed in order to make up for the additional time that is used up during these rush hours to complete each taxi trip.

EASTERN CAB COMPANY, INC., ET AL.

On the letterhead of Eastern Cab Company, Inc., Mr. Daniel Smith submitted a statement as a representative of the following District of Columbia taxicab companies: Allied Cab Association, Anacostia Cab Association, Barwood Cab Company, Bell Cab Association, City Cab Company, Columbia Cab Company, Dial Taxicab Company, Eastern Cab Company, Imperial Cab Company, Metropolitan Cab Association, and Tan Top Cab Association. For convenience we shall refer to these collectively as "Eastern, et al."

Eastern, et al., propose the following rates:

- \$1.30 First half mile or part thereof
- .60 Each additional 1/2 mile or part thereof
- 1.25 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢; taxicab service in response to a telephone call, 65¢ in addition to all other authorized charges; dismissal of a taxicab without using it after

response to a telephone call, 65¢ in addition to the charge for responding; waiting time, \$1.00 for each 5 minutes or fraction thereof.

The charge for a taxicab employed on an hourly basis shall be as follows: for the first hour or fraction thereof -- \$12.00; for each additional 15 minutes or fraction thereof -- \$3.00.

That there shall be an additional charge during traffic rush hours or snow emergencies consistent with those allowed by the Public Service Commission of the District of Columbia.

That the Commission allow on an optional basis the use of taxicab meters for interstate rates consistent with the requested fares. That the meters be installed and maintained by the owner-operator in proper working condition.

COMPARISON OF FARES

Tables II and IIA setting forth the current mileage rates and fares for local jurisdictions were included in Order No. 2698 and need not be reproduced here. Suffice it to say that the mean (average) first-mile rate for interstate taxicab service is \$1.76 plus \$1.00 for each subsequent mile. The median (middle) rate is \$1.80 for the first mile plus \$1.00 for each subsequent mile. The mode (most frequently occurring rate) is \$1.80 for the first mile plus \$1.00 for each subsequent mile. These mean, median, and modal rates (represented by the dashed line in the table below) were determined on the basis of existing interstate rates, excluding the existing interstate rates for District of Columbia taxicabs and Air Transit, Inc., because those are the rates here at issue.

In the table below, existing interstate taxicab rates have been converted to single-passenger fares for trips of 5, 10, and 15 miles. In addition, they are arranged in order of magnitude, and the fares resulting from the rates proposed by Air Transit, Inc., Mr. Schlaifer, and Eastern, et al., have been included.

TABLE I

	<u>5 Miles</u>	<u>10 Miles</u>	<u>15 Miles</u>
D.C., Schlaifer Proposal	\$6.90	\$12.90	\$18.90
D.C., Eastern Proposal	\$6.70	12.70	18.70
ATI Proposal	6.60	12.60	18.60
Prince George's	5.90	10.90	15.90
Alexandria	5.80	10.80	15.80
Arlington	5.80	10.80	15.80
MEAN, MEDIAN, MODE			
Montgomery	5.70	10.70	15.70
D.C., Current	5.70	10.70	15.70
ATI, Current	5.60	10.60	15.60
Fairfax-Falls Church	5.60	10.60	15.60

For direct comparison, the above fares are stated on the basis of mileage charges, excluding various mechanisms and rates for computing time by hand, by meter, or by rush hour surcharge. The table shows that all three proposals fall well outside even the upper limit of the rather tight range of existing interstate fares.

We note that, over a number of trips large enough to produce a statistically sound sample, the 50¢ half-mile increment prescribed for District of Columbia taxicabs will produce on the average 20¢ per trip more than the 10¢ tenth-mile increment employed by most local metered service. This is because larger mileage increments are front-end loaded in favor of the driver. However, this somewhat abstruse revenue increment may or may not pertain to any particular trip and so is best ignored in comparative calculations.

DISCUSSION OF PROPOSALS

ATI's proposed first-mile rate of \$1.80 comports with prevailing first-mile charges in the Metropolitan District, but its \$1.20 subsequent mile proposal exceeds the prevailing rate which is, without exception, \$1.00. This difference, according to ATI, is justified by its unique operating conditions.

ATI supports this position by noting that virtually all of its passengers originate at Dulles, resulting in its taxicabs deadheading the 30-mile return trip from downtown Washington. Accordingly, ATI's deadhead and loaded mileage are almost equal. ATI asserts that this distinguishes its operations from those in other jurisdictions, justifying the proposed rate differential.

ATI further states that "while a high percentage" of its trips occur between 4 and 7 p.m. each day, its contract with FAA requires that it provide round-the-clock service, seven days a week,

within a specified time of passenger demand. This results in drivers waiting hours between fares and averaging "between 3 and 4 trips during a 12 hour day."

Another difference is that ATI's taxicabs may not be more than 3 model years old, which ATI contrasts with 6 model years in Arlington and Fairfax Counties, and no limitation in the District of Columbia.

ATI notes that its drivers "are independent contractors who provide their own cabs," and that the committee representing the drivers recently presented ATI's management with an analysis of their income and expenses. ATI submitted that analysis along with a revised analysis developed by ATI which indicates that its drivers earn \$4.27 an hour based on a 6-day week and a 12-hour day.

The typical ATI trip is from Dulles to downtown Washington, a distance of "slightly over 30 miles" according to ATI. There is evidence elsewhere in this record that this trip takes about 40 minutes under normal circumstances; we will call it 45 minutes for convenience. At existing rates, carrying just one passenger, with no incidental charges such as waiting time or luggage, this trip would gross \$31.10. Allowing another 45 minutes to deadhead back to Dulles, the driver would earn \$20.73 an hour and be back in service. The problem apparently stems from the fact that this driver can only "average between 3 and 4 trips during a 12 hour day," which would result in revenues of \$93.30 to \$124.40 a day. (For comparison, the figure used by both ATI and the drivers' committee is \$100 a day.) It is the spreading of these revenues over a 12-hour day because of the necessity for "drivers to wait for hours to obtain a fare" that results in ATI's calculation of \$4.27 net income an hour.

It is readily apparent that there is a significant supply problem at work here that will not be addressed by inordinately increasing rates above the generally prevailing level. If, for extreme example, the fare for our hypothetical trip were \$100, there might be so many "independent contractors" queued up that each could only make one trip a day and, hence, their financial position would be unchanged. It appears that application of appropriate management techniques to control the hours of waiting between fares would do more to address the financial situation of ATI's drivers than would increasing the rates above the prevailing level.

Turning to Mr. Schlaifer's proposal, we note that \$2.10 for the first mile plus 60¢ for each subsequent half-mile results in fares of \$6.90, \$12.90, and \$18.90 for trips of 5, 10, and 15 miles, respectively, and that these are in excess of even the highest fares currently in use in the Metropolitan District.

Mr. Schlaifer's proposal also contains three separate methods of compensating the driver of an unmetered District of Columbia taxicab

for time: (1) an alternative fare calculation of either the mileage rate or 40¢ a minute of elapsed time, with the fare being whichever calculation results in the higher figure, (2) a waiting-time charge of 20¢ a minute, the equivalent of \$12 an hour, and (3) a rush-hour surcharge of \$1.00 to be applied from 4 p.m. to 6:30 p.m. Monday through Friday, except holidays. We will examine each of these individually, but without losing sight of the fact that, according to Mr. Schlaifer's proposal, all three could apply on one trip.

The proposed alternative fare calculation of 40¢ a minute is the equivalent of \$24 an hour. This could be compared, for example, with the intra-District of Columbia rate for hiring a taxicab on an hourly basis, which was increased, effective March 25, 1985, from \$9 for the first hour or fraction plus \$2.25 for each additional 15 minutes or fraction, to \$12 for the first hour or fraction plus \$3 for each additional 15 minutes or fraction. It should be noted that the District of Columbia rate is not a "whichever-is-higher" alternative to the D.C. zone rates, but is an "either-or" alternative. This proposal might also be compared with the time override mechanism on taximeters which runs in the \$10 - \$12 an hour range in the Metropolitan District. Mr. Schlaifer's proposed rate is twice the maximum rate currently in use in the Metropolitan District. The proposal will not be accepted.

Further in this regard, Mr. Schlaifer extracts and takes issue with the following language from previous Commission orders:

Adoption of this proposal would require drivers to compute each interstate fare from both his odometer and his wristwatch, leaving further room for honest error, unduly complicating and slowing the fare computation process, and making the system more difficult to administer and more confusing to the passenger. For these reasons, this proposal has been rejected. [Order No. 1982, served April 19, 1979, Case No. MP-79-05, at p. 5.]

Further, we find that doing both mileage and time fare computations by hand and then comparing the results (functions performed electronically in a meter) would introduce undue complexity into the rate system from both the driver's and passenger's viewpoint. And this is without regard to the additional requirement for a reasonably accurate clock or timepiece and perhaps a pocket calculator. Every taxicab is already equipped, and required to be equipped, with a reasonably accurate odometer. [Order No. 2334, served May 7, 1982, Case No. MP-82-03, at pp. 6-7.]

We have re-examined our position, and we adhere to it.

Next we turn to Mr. Schlaifer's proposal of 20¢ a minute waiting time, in support of which Mr. Schlaifer states that the Public Service Commission of the District of Columbia "has authorized a \$12 per hour taxi fare. This then becomes 20¢ per minute. This is how we arrive at the 20¢ per minute waiting time." Mr. Schlaifer is aware that this Commission makes every effort to defer to locally implemented incidental charges such as waiting time when such prescriptions are compatible with the general scheme of interstate rates. However, in this instance Mr. Schlaifer seems to have confused the PSC's prescribed \$12 rate for a taxicab employed on an hourly basis with the PSC's prescribed \$9 rate for waiting time.

Unlike the previous rate prescription for District of Columbia taxicabs operating within the District of Columbia, the current D.C. PSC rate prescription 1/ provides different rates for waiting time and for a taxicab employed on an hourly basis. As explained more fully below, under the new D.C. prescription the rate for waiting time remains basically the equivalent of \$9.00 an hour. Previously, that was also the rate for employing a taxicab on an hourly basis, but now the hourly rate has been changed to \$12.00. This difference causes us to consider more closely the relationship between waiting time and the hourly rate.

For waiting time the D.C. PSC rate is 75¢ "for each five minutes or fraction thereof, except for stops enroute." Under the District of Columbia zone system, stops en route are handled in the following manner:

Each stop, not exceeding five minutes, enroute made at the direction of a passenger not requiring a deviation of more than five blocks other than to take on additional passengers shall be \$.30.

In 1979 after the D.C. PSC had implemented new rates, WMATC noted two departures needed to appropriately adapt the "waiting time" and "stop enroute" charges to the interstate system. 2/ First, whereas the D.C. PSC had just dropped a provision that the first five minutes of waiting time were free, WMATC retained it to the following extent:

1/ Public Service Commission of the District of Columbia, Order No. 8212, served March 14, 1985, in Formal Case No. 820.

2/ WMATC Order No. 2067, served December 6, 1979, in Case No. MP-79-33.

Waiting time shall include time consumed while taxicab is waiting and available to the passenger beginning 5 minutes after the time of arrival at the place to which it has been called. No charge shall be made for premature response to a call. [Appendix to Order No. 2067.]

In addition WMATC deleted from the "waiting time" provision the words "except for stops enroute," as well as the entire stop en route provision concerning five-block deviations and the charge therefor. In so doing, we stated:

With respect to stops en route, interstate rates compensate for deviation from the shortest route by being based solely on mileage rather than zones. Where no deviation is involved, a charge may be made for waiting time. Hence, we find no need for imposition of a "stop en route" rate. [Order No. 2067, at page 5.]

Order No. 2067 became effective December 31, 1979. With the exceptions noted above, both the D.C. PSC and WMATC waiting-time rates were 75¢ for each 5 minutes or fraction thereof. At the same time, the charge for a taxicab employed on an hourly basis was \$9 for the first hour or fraction thereof, plus \$2.25 for each additional 15 minutes or fraction thereof.

These rates held, both for D.C. PSC and for WMATC, through our next interstate rate prescription, effective April 20, 1981, 3/ and the one after that, effective May 17, 1982, 4/ which remains in effect today. Note that \$9 an hour, 75¢ for twelve 5-minute increments, and \$2.25 for four 15-minute increments, all come to the same \$9 an hour.

Now, however, the D.C. PSC has retained the waiting-time rate of 75¢ for each 5 minutes or fraction thereof, but has increased the charge for a taxicab employed on an hourly basis to \$12 for the first hour or fraction thereof, plus \$3 for each additional fifteen minutes of fraction thereof.

Clearly, then, within the District of Columbia these are not just convenient alternative ways of stating the charge for waiting time. Clearly, the hourly rate of \$12 is an alternative to the zone system for computing the basic fare. We must examine whether such an alternative is appropriate to the computation of interstate rates.

3/ Order No. 2213, served April 13, 1981.

4/ Order No. 2334, served May 7, 1982.

An example will aid in this consideration. Let us assume a trip of 25 miles from a point in the District of Columbia (perhaps Georgetown) to Dulles Airport. Let us further assume that this trip can be made in 45 minutes. That is an average speed of 33-1/3 miles an hour. Under normal traffic conditions the trip could easily be made in less time, as most of it would be on 55 mile-per-hour roads. Even under somewhat adverse conditions, one could make the trip in less than an hour. The interstate mileage fare for this trip would be \$25.70 under existing rates. If, however, one were able to demand that this trip be performed at an hourly rate of \$12, the driver would receive 48¢ a mile. Considering that Dulles Airport has a contract taxicab concession (respondent ATI) and the D.C. driver may not be able to get a return fare to the District of Columbia, by the time he returns he will have gone 50 miles for \$12, or 24¢ a mile.

We find that the \$12 rate for employing a taxicab on an hourly basis as an alternative to computing fares on a mileage basis is not appropriate for interstate rates. This alternative may be well applied within the downtown area where a taxicab could be asked to accumulate significant mileage within one or two zones while a passenger is sightseeing or delivering packages. However, in interstate operation of the same type of service, the driver would be compensated for that accumulated mileage, plus waiting time if that were involved. The hourly alternative does not translate well to the interstate rate system and we shall delete it from our rate prescription. With the exceptions already noted, we shall retain our existing waiting-time rate which comports with the waiting-time rate prescribed by D.C. PSC.

Mr. Schlaifer emphasizes the importance of his proposal for a \$1.00 p.m. rush hour surcharge by devoting to this subject a significant portion of his supporting statement. Again Mr. Schlaifer quotes and takes issue with language on this subject from our Order Nos. 1982 and 2334, from which can be accurately distilled the essence of the position we then took.

We view this surcharge as an integral part of the intra-District of Columbia zone fare system, but we do not believe it should be applied to interstate mileage rates. [Order No. 1982, at p. 5.]

The rush hour surcharge is an incentive for D.C. taxicabs to operate during peak traffic hours. It is an integral element of the fixed-fare zone system and would be counterproductive and over-compensatory if added to the interstate rates which already enjoy an advantage. We do not want to induce drivers to give undue preference to interstate passengers at the expense of intra-D.C. passengers for whose benefit the surcharge was instituted. [Order No. 2334, at p. 7.]

The essence of Mr. Schlaifer's position, in turn, is that

The \$1.00 rush hour surcharge 4 p.m. - 6:30 p.m. Monday thru Friday, except holidays is needed in order to make up for the additional time that is used up during these rush hours to complete each taxi trip. [Statement at p. 1.]

This rush hour surcharge gives us an indirect time fare increase. [Statement at p. 1.]

The taxicab regulations require that all cab drivers take passengers on a first come, first service basis. Taxicab regulations prohibit all cab drivers from picking and choosing their passengers. Adoption of the \$1 rush hour surcharge will not induce cab drivers to give undue preference to interstate passengers at the expense of intra - D.C. passengers. Every cab driver knows that it is strictly 'pot-luck' as to whether the next passenger they pick up will be an interstate taxi trip. [Statement at p. 3.]

We are persuaded to change our position. The p.m. rush hour surcharge has withstood the test of time in intra-District of Columbia operations where it does not appear to cause any undue problems either in application or enforcement. We now believe it would be appropriate to apply this surcharge to the interstate mileage rates for District of Columbia taxicabs. Such a surcharge would compensate the driver for extra time consumed, particularly in view of the fact that any interstate taxicab trip originating in the District of Columbia during the p.m. rush must necessarily be going in the direction of heaviest traffic flow. This also supports the proposition that such a surcharge should not be applied during the a.m. rush, because an interstate trip originating in the District of Columbia would then be counter-flow. We are also persuaded that finding an interstate passenger -- generally preferred because of the nature of interstate rates -- is a luck-of-the-draw proposition that is unlikely to result in rejection of local passengers in the search for an interstate passenger. If such violations should occur, we would support their being dealt with harshly. For these reasons we shall adopt the p.m. rush hour surcharge of \$1.00 to apply to interstate trips in District of Columbia taxicabs when such trips originate in the District of Columbia.

The proposal of Eastern, et al., amounts to \$1.90 for the first mile plus \$1.20 for each subsequent mile. While the \$1.90 first mile is at the upper limit of the range of existing interstate rates, the \$1.20 subsequent mile exceeds the existing \$1.00 level, even though it is the same level proposed by Mr. Schlaifer and ATI.

The incidental charges proposed by Eastern, et al., for hand baggage, trunks, personal service, response to a telephone call, and dismissal of a taxicab are the same as those prescribed by the D.C. PSC.

Eastern, et al., also propose a \$12 an hour rate for a taxicab employed on an hourly basis, a matter we have already discussed in connection with Mr. Schlaifer's proposal and rejected. In addition, Eastern, et al., propose a waiting-time rate of \$1.00 for each 5 minutes or fraction, which amounts to \$12.00 an hour. As we have already discussed, this exceeds the \$9 an hour waiting-time rate prescribed by D.C. PSC which we will adopt.

Eastern, et al., further propose "an additional charge during traffic rush hours or snow emergencies consistent with those allowed by the Public Service Commission of the District of Columbia." We have decided to adopt the p.m. rush hour surcharge as previously discussed. However, with regard to snow emergency rates, Eastern, et al., provide no argument or information in support of their proposal.

As we stated in our previous decision on this matter:

Our rate prescription of December 6, 1979, first included a definite negative provision for snow emergency rates (see Order No. 2067) and we are not now persuaded to change our position. Declaration of snow emergencies, like the snowfall itself, differs from jurisdiction to jurisdiction. A taxicab driver working on the street is often in a poor position to know when and where a snow emergency situation has been invoked or cancelled, and an interstate trip always involves at least two jurisdictions. If snow emergency rates, locally invoked and applied, are not sufficient to induce drivers to operate their taxicabs during these difficult times, doubling interstate rates will add little incentive. We have uniformly rejected snow emergency charges for all interstate trips, and we see no reason now to do otherwise for interstate trips originating in one jurisdiction. [Order No. 2334, at p. 7.]

EXTRA PASSENGER CHARGE

The existing uniform interstate party rate for all interstate taxicab service within the Metropolitan District is:

75¢ for each additional passenger in a pre-formed party (provided, however that one child five (5) years of age or younger shall be transported

without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

The table below shows, in order of magnitude, the existing local extra passenger charges.

TABLE II

<u>Jurisdiction</u>	<u>Charge</u>	<u>Conditions</u>
District of Columbia	\$1.25	free under 6 years with older person
Alexandria	1.00	2 years or older
Prince George's	1.00	outside County; 50¢ within County; free under 6 years
Fairfax-Falls Church	.80	over 12 years; no charge for senior citizens
Montgomery	.75	except groups of senior citizens
Arlington	.60	over 6 years

On the basis of the above table, the average extra passenger charge is 90¢; the median value would fall between 80¢ and \$1.00, and the modal value is \$1.00. Again, these computations exclude the existing uniform interstate extra passenger charge because that is the rate at issue.

We are drawn to the convenient sum of \$1.00 as the extra passenger charge to be uniformly applied to all interstate taxicab trips within the Metropolitan District without regard to where the trip originates or in what jurisdiction the taxicab is licensed. First of all, it is a figure already employed by two jurisdictions, a distinction shared by no other figure in a relatively broad scatter. Secondly, it is easy to remember and easy to add to the computed fare. Finally, it is not out of line with prevailing rates and will not impair the comparability we seek to achieve. Accordingly, we shall adopt the following provision:

\$1.00 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge for each individual of at least

sixteen (16) years of age in a pre-formed party.)

INCIDENTAL CHARGES

With the exceptions already discussed, we shall adopt the incidental charges prescribed by the D.C. PSC to be applicable to interstate taxicab service in District of Columbia taxicabs. As we have done in the past, we shall also adopt the same incidental charges for interstate taxicab service by ATI, except for modifications necessitated by the nature of ATI's operations and the fact that ATI employs taximeters. Accordingly, we shall delete from the ATI rate prescription incidental charges related to reponse to a telephone call. Although ATI has proposed a waiting-time rate of \$12 an hour as the override rate to be set on its meters, we shall authorize only the \$9 an hour rate as previously discussed.

CONCLUSION

In support of their various proposals, all three respondents have alluded in some way to the recent zone fare increases prescribed by D.C. PSC. We note that there is not and never has been any relationship between the fixed-fare zone system of computing intra-District of Columbia fares and the mileage rates for computing interstate fares.

Even the existing interstate mileage rates which have been in effect since May 17, 1982, will generally produce fares higher than the new D.C. zone rates which became effective March 24, 1985.

For example, the maximum zone fare in the District of Columbia is 8 zones, a fare of \$8.05. Such a trip from, say, the Southeast Community Hospital in zone 5A to Walter Reed Hospital in zone 4C would be about 11-1/2 miles which would produce an interstate fare of \$12.20. A shorter trip from the U.S. Capitol in zone 1D to Dupont Circle in zone 1B would produce a zone fare of \$2.10 and a mileage fare of \$3.70. A two-zone trip from the Smithsonian in zone 1D to the Zoo in zone 2B would produce a zone fare of \$3.00 and a mileage fare of \$4.70. A three-zone trip from Union Station to the University of the District of Columbia (Connecticut Avenue & Van Ness, N.W.) would produce a zone fare of \$3.90 and a mileage fare of \$6.20.

Thus it can be seen that reliance on zone fare increases in support of mileage rate increases is misplaced. There are, of course, other features of the zone system that offset this apparent disparity. There is the fact that within the District of Columbia shared riding is at the driver's discretion, whereas in interstate service sharing a taxicab is a matter of passenger discretion. In addition, the general likelihood of finding another passenger soon after dropping one off is significantly higher within the District of Columbia than it is in

interstate service. These examples simply illustrate that a modification of one of these systems does not necessarily dictate a similar modification of the other.

Given the fact that there are a half-dozen local taxicab rate setting jurisdictions within the Metropolitan District, it is our objective to maintain interstate rates at a level of comparability and compatibility that will produce maximum achievable uniformity with the least disruption to locally implemented rate schemes. Within the unavoidable limitations, we try to assure that an interstate passenger's fare varies as little as possible between the same two points and to eliminate wide fluctuations in fares based only on the direction of travel.

The Commission defined its philosophy of taxicab ratemaking in Order No. 1500, served February 13, 1976, and has found it useful to restate it in subsequent rate orders:

The Commission has never believed it should lead the way in setting taxicab rates. Each of the local rate setting jurisdictions is especially familiar with the requirements of both the users and providers of taxicab service in the local market. Each carefully establishes its rates through appropriate proceedings. Where practicable, the Commission simply adopts these local rates as the interstate rates. This practice has been followed since our Order No. 67, served October 9, 1961. [Footnote omitted.]

* * *

We further believe that the essential element in our determination of the appropriate rate structure should be comparability with prevailing local rates. We believe that revenues and expenses are given adequate consideration at the local level by authorities more acutely in tune with sub-regional conditions and requirements. From a regulatory point of view, an effort should be made to neither unduly restrain nor enhance the rate scheme which the local jurisdiction has determined to be appropriate. In addition, the Compact requires the establishment of fares which are just, reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District. Therefore, we shall prescribe interstate rates for District of Columbia taxicabs on a mileage basis in an effort to establish fares which will be comparable to the local and interstate fare[s] resulting from rates prescribed by the local jurisdictions.

Based upon all the foregoing considerations, we find that the current interstate taxicab rates for taxicabs licensed and regulated by the District of Columbia are neither appropriate nor comparable to such rates for taxicab service in other local jurisdictions. We further find that the rates set forth in Appendix A to this decision are just, reasonable, appropriate, and comparable.

With regard to Air Transit, Inc., we find that the interstate rates should be the same as those prescribed for District of Columbia taxicabs as adapted to ATI's operating circumstances and use of taxicab meters as discussed hereinbefore. We find that the rates set forth in Appendix B to this decision are just, reasonable, appropriate, and comparable.

Concerning so-called "gypsy" taxicab operations -- unlawful taxicab service not authorized by any local licensing jurisdiction -- we have found it useful in the past to prescribe an interstate rate as an enforcement mechanism in the event such operations should occur as, indeed, they have in the past. This concept is traceable through our Order No. 1295 served December 28, 1973; Order No. 1502 served February 13, 1976; Order No. 1984 served April 19, 1979; Order No. 2215 served April 13, 1981; and Order No. 2336 served May 7, 1982. We find that these rates should be the same as those prescribed herein for District of Columbia taxicabs, and they are set forth in Appendix C to this decision.

MINIMUM INSURANCE REQUIREMENTS

Consistent with our past practice, we find that the minimum insurance requirements for interstate taxicab service in District of Columbia taxicabs, ATI taxicabs, and "gypsy" taxicabs should be the same as required by the District of Columbia for its taxicabs. The minimum insurance requirements for interstate taxicab service in taxicabs licensed by other jurisdictions in the Metropolitan District are the same as those required by the licensing jurisdiction.

OPTIONAL TAXIMETERS

One final matter bears discussion. Eastern, et al., have proposed that the Commission allow District of Columbia taxicabs to use taximeters on an optional basis to compute interstate fares. This would involve a careful analysis of our own legislation as well as District of Columbia and federal legislation. We will not delay the actions taken in this decision in order to give the proposal the time consuming attention it would require. Neither do we reject the concept out of hand. Rather, we shall ask our staff to identify and report to us the relevant provisions of law. If it turns out that the proposal is not legally proscribed, we shall consider the merits of a separate investigation to look into the matter.

THEREFORE, IT IS ORDERED:

1. That the investigation in Case No. MP-85-07 instituted by Order No. 2698, served April 18, 1985, is hereby concluded.

2. That the rates and charges for transportation of passengers in interstate service between points within the Metropolitan District in taxicabs licensed and regulated by the District of Columbia are hereby prescribed as set forth in Appendix A to this order, effective 4 a.m., Monday, July 1, 1985.

3. That the rates and charges for transportation of passengers in interstate service between points in the Metropolitan District in taxicabs of Air Transit, Inc., are hereby prescribed as set forth in Appendix B to this order, to be implemented on the taximeters of Air Transit, Inc., within 30 days of the date of service of this order.

4. That the rates and charges for transportation of passengers in interstate service between points in the Metropolitan District in taxicabs which are not licensed and regulated by one of the local jurisdictions within the Metropolitan District, or for which taxicab rates have not already been specifically established by this Commission, are hereby prescribed as set forth in Appendix C to this order, effective 4 a.m., Monday, July 1, 1985.

5. That the minimum insurance requirements for operations to which Appendices A, B, and C pertain shall be the same as those required by the District of Columbia for its taxicabs.

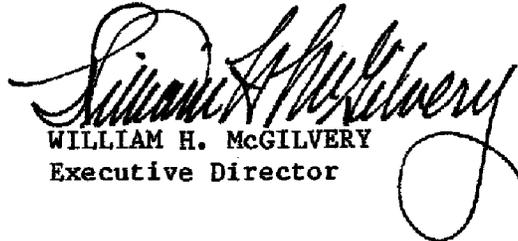
6. That the extra passenger charge for transportation of passengers in interstate service between points in the Metropolitan District in taxicabs licensed and regulated by any of the local jurisdictions within the Metropolitan District shall become effective 4 a.m., Monday, July 1, 1985, as follows:

\$1.00 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

7. That the rates and charges for transportation of passengers in interstate service between points in the Metropolitan District in taxicabs licensed and regulated by one of the local jurisdictions in the Metropolitan District, and to which Appendices A, B, or C do not pertain, shall be the same as the rates and charges prescribed by the jurisdiction in which such taxicab is licensed, except for the uniform extra-passenger charge described in the preceding paragraph.

8. That the minimum insurance requirements for interstate operations of taxicabs described in the preceding paragraph shall be the same as the requirements of the jurisdiction in which such taxicab is licensed.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS WORTHY, SCHIFTER, AND SHANNON:


WILLIAM H. MCGILVERY
Executive Director

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT
(in taxicabs licensed and regulated by the District of Columbia)

- \$1.80 First mile or part thereof
- .50 Each additional 1/2 mile or part thereof
- 1.00 Each additional passenger in a pre-formed party
(provided, however, that one child five (5)
years of age or younger shall be transported
without charge for each individual of at least
sixteen (16) years of age in a pre-formed
party.)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢; a/ taxicab service in response to a telephone call, 65¢ in addition to all other authorized charges; dismissal of a taxicab without using it after response to a telephone call, 65¢ in addition to the charge for responding; waiting time, b/ 75¢ for each 5 minutes or fraction thereof.

There shall be a surcharge of \$1.00 per trip commencing between 4 p.m. and 6:30 p.m., Monday through Friday, except holidays, for service originating in the District of Columbia.

There shall be no additional charge for service during snow emergency periods.

a/ A personal service is defined as any service requested by a passenger which requires the taxicab driver to leave the vicinity of the taxicab.

b/ Waiting time shall include time consumed while taxicab is waiting and available to the passenger beginning 5 minutes after the time of arrival at the place to which it has been called. No charge shall be made for premature response to a call.

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE PROVIDED BY
AIR TRANSIT, INC., WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT

- \$1.20 First 2/5 mile or fraction
- .20 Each additional 1/5 mile or fraction
- .20 Each one minute twenty seconds waiting time (\$9.00 an hour)
- 1.00 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢. A personal service is defined as any service requested by a passenger which requires the taxicab driver to leave the vicinity of the taxicab.

There shall be no additional charge for service during traffic rush hours or snow emergency periods.

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT
(in taxicabs not licensed and regulated by any political subdivision
located within the Metropolitan District or for which taxicab rates
have not been specifically established by WMATC)

- \$1.80 First mile or part thereof
- .50 Each additional 1/2 mile or part thereof
- 1.00 Each additional passenger in a pre-formed party
(provided, however, that one child five (5)
years of age or younger shall be transported
without charge for each individual of at least
sixteen (16) years of age in a pre-formed
party.)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢; a/ taxicab service in response to a telephone call, 65¢ in addition to all other authorized charges; dismissal of a taxicab without using it after response to a telephone call, 65¢ in addition to the charge for responding; waiting time, b/ 75¢ for each 5 minutes or fraction thereof.

There shall be a surcharge of \$1.00 per trip commencing between 4 p.m. and 6:30 p.m., Monday through Friday, except holidays, for service originating in the District of Columbia.

There shall be no additional charge for service during snow emergency periods.

a/ A personal service is defined as any service requested by a passenger which requires the taxicab driver to leave the vicinity of the taxicab.

b/ Waiting time shall include time consumed while taxicab is waiting and available to the passenger beginning 5 minutes after the time of arrival at the place to which it has been called. No charge shall be made for premature response to a call.