

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 3058

IN THE MATTER OF:

Served August 17, 1987

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

Case No. MP-87-15

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 \$1.80 to \$2.00; and
2. increase the charge for each additional 1/2 mile from 50¢ to 60¢.

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

1. increase the initial charge from \$1.20 for the first 2/5 mile to \$1 for the first 1/6 mile; and
2. increase the charge for subsequent mileage from 20¢ for each additional 1/5 mile to 20¢ for each additional 1/6 mile.

Effective date: Monday, September 21, 1987

BACKGROUND

By Order No. 3038, served June 3, 1987, and incorporated herein by reference, the Commission, on its own motion, instituted an investigation of the interstate rates for taxicab service within the Metropolitan District. Notice of the investigation was published in a newspaper of general circulation in the Metropolitan District on June 10, 1987. Both the order and the notice invited interested persons to file written proposals, justifications, and statements by June 30, 1987. The order described a proposal submitted by Imperial Cab Company, Inc., and eleven other, affiliated District of Columbia taxicab companies ("Imperial"). The Commission also received a timely response from Mr. Irving Schlaifer. Air Transit, Inc., filed a response six days after the deadline.

IMPERIAL

Imperial asks the Commission to consider three separate rate setting systems for interstate service in District of Columbia taxicabs, all to be in effect at the same time. They are:

- (1) Rates charged according to odometer mileage as follows:

\$1.10 First 1/6 mile or fraction;  
.20 Each additional 1/6 mile or fraction;  
1.25 Each additional passenger in a pre-formed party (provided, however, that one child five years of age or younger shall be transported without charge for each individual of at least sixteen years of age in a pre-formed party.)

- (2) Flat rates between Washington National Airport and Washington Dulles International Airport, on the one hand, and, on the other, points in the District of Columbia, as follows:

<u>Subzones</u>	<u>National Airport</u>	<u>Dulles Airport</u>
1A	\$ 7.50	\$34.50
1B	8.70	34.50
1C	8.70	34.50
1D	8.70	34.50
2A	10.50	\$34.50
2B	9.90	34.50
2C	11.10	34.50
2D	10.50	35.70
2E	7.80	35.70
3A	11.10	35.70
3B	12.90	35.70
3C	12.90	41.70
3D	12.90	41.70
3E	12.90	41.70
3F	11.70	41.70
3G	11.10	41.70
3H	6.30	41.70
4A	12.90	32.30
4B	15.30	32.30
4C	14.70	41.90
4D	13.50	41.90
4E	14.10	41.70
4F	12.30	41.70

4G	12.30	41.70
4H	12.30	41.70
5A	12.30	42.90

The proposed zone fares do not include any airport fees. The zones are the same as those currently employed in the calculation of fares for taxicab service wholly within the District of Columbia. The petition also contained proposed rates between Baltimore Washington International Airport and points in the District of Columbia. BWI is not in the Washington Metropolitan Area Transit District. Therefore, the proposed BWI rates are not within this Commission's jurisdiction. See Compact, Title I, Article I, and Title II, Article XII, Section 1(c).

- (3) Rates charged according to a taxicab meter to be installed at the option of the owner-operator and maintained by the owner-operator in proper working condition. The rates set on these taxicab meters would be the same as proposed in item (1) above.

Finally, under all three of Imperial's proposals, the following charges would also apply:

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 shall be at the rate of \$12 per hour.

The charge for a taxicab employed on an hourly basis shall be as follows: For the first hour or fraction thereof -- \$16; for each additional 15 minutes or fraction thereof -- \$4.

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.

MR. IRVING SCHLAIFER

Mr. Schlaifer is an independent taxicab owner-operator in the District of Columbia. Mr. Schlaifer recommends the following rates for District of Columbia taxicabs:

- \$2.10 for the first mile
- 1.20 for each additional mile
- 1.25 for each additional passenger
  
- 1.25 rush hour surcharge
  
- .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.
  
- 2.00 for each footlocker
  
- .20 per minute waiting time
  
- 16.00 minimum for the first hour, or fraction thereof; for each additional 15 minutes, or fraction thereof, \$4. The hourly rate shall be a negotiated rate, wherein, the cab driver and the cab passenger shall agree to the hourly rate to be used.
  
- .40 per minute total time fare shall be used if it shall be 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.

During snow emergencies, the taxi rate for each trip shall be doubled for interstate taxi trips whenever it shall be authorized for use on taxi trips within D.C. by the D.C. Taxicab Commission.

AIR TRANSIT, INC.

Air Transit, Inc. ("ATI"), operates taxicab service originating at Washington Dulles International Airport ("Dulles"), pursuant to a contract with the Metropolitan Washington Airports Authority. 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-85-07 by Order No. 2917, served June 17, 1985. Those rates are as follows:

- \$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 an hour)

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

Albeit untimely, counsel for ATI suggests the following "for metered fares in the metropolitan district":

- \$1.20 First 1/6 mile
- .20 Each additional 1/6 mile
- .20 Each minute of waiting time (\$12 an hour)

COMPARISON OF RATES AND FARES

The table below shows the current interstate mileage rates for taxicab service in the Metropolitan District.

<u>Jurisdiction</u>	<u>EXISTING RATES</u>		<u>RATES CONVERTED TO MILES</u>	
	<u>ACTUAL RATES</u>		<u>1st Mile</u>	<u>Subsequent Mile</u>
	<u>Initial Charge</u>	<u>Rate After Initial Charge</u>		
Fairfax-Falls Church	\$1.20 1st 1/6	20¢ ea. 1/6	\$2.20	\$1.20
Alexandria	1.10 1st 1/6	20¢ ea. 1/6	2.10	1.20
Arlington	1.00 1st 1/6	20¢ ea. 1/6	2.00	1.20
Montgomery	1.00 1st 2/6	20¢ ea. 1/6	1.80	1.20
Prince George's	1.00 1st 1/10	10¢ ea. 1/10	1.90	1.00
District of Columbia	1.80 1st mile	50¢ ea. 1/2	1.80	1.00
ATI	1.20 1st 2/5	20¢ ea. 1/5	1.80	1.00

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 Imperial, Mr. Schlaifer, and ATI have been included. Finally, at the bottom of the table are shown the mean (average) and median (middle) fares resulting from existing interstate rates, excluding the existing interstate rates for District of Columbia and ATI taxicabs because those are the rates here at issue.

COMPARISON OF FARES

	<u>5 Miles</u>	<u>10 Miles</u>	<u>15 Miles</u>
* Fairfax-Falls Church	7.00	13.00	19.00
ATI Proposal	7.00	13.00	19.00
* Alexandria	6.90	12.90	18.90
D.C., Imperial Proposal	6.90	12.90	18.90
D.C., Schlaifer Proposal	6.90	12.90	18.90
* Arlington	6.80	12.80	18.80
* Montgomery	6.60	12.60	18.60
* Prince George's	5.90	10.90	15.90
D.C., Current	5.80	10.80	15.80
ATI, Current	5.80	10.80	15.80
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Mean (*)	6.64	12.44	18.24
Median (*)	6.80	12.80	18.80

For direct comparison, the fares above 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.

We note that, over a number of trips large enough to produce a statistically sound sample, the 50¢ half-mile increment will produce on the average 20¢ per trip more than the 10¢ tenth-mile increment. Similarly, the 60¢ half-mile increment will produce 20¢ per trip more than the 20¢ sixth-mile increment. The \$1.20 whole-mile increment proposed by Mr. Schlaifer would produce 50¢ per trip more than the 20¢ sixth-mile increment.

DISCUSSION OF PROPOSALS

Imperial's mileage rate proposal for District of Columbia taxicabs amounts to \$2.10 for the first mile plus \$1.20 for each subsequent mile. It is interesting that the actual proposal is in sixths of a mile. While Imperial did propose the optional use of taxicab meters that could register sixths (discussed later), the mileage rate discussed here would have to be calculated on odometers that register in the tenths, not sixths. One-sixth is equal to 1.67 tenths. One-tenth is equal to 0.6 sixths. This is a conversion that may not come easily to everyone.

Imperial proposes certain miscellaneous charges consistent with existing charges, including luggage, personal service, response to a telephone call, and the rush-hour surcharge. However, Imperial also proposes certain miscellaneous charges that are not consistent with existing charges. These include waiting time, employing a taxicab on an hourly basis, and snow emergency rates.

As to waiting time, Imperial proposes a rate of \$12 an hour. The current rate prescription for District of Columbia taxicabs (both interstate and intrastate) is 75¢ for each five minutes or fraction thereof, the equivalent of \$9 an hour. This Commission makes every effort to defer to locally implemented incidental charges such as waiting time when such charges are compatible with the general scheme of interstate rates. This same proposal was urged upon us in proceedings leading to our current rate prescription. 1/ Then, as now, it was presented without supporting justification. Now, as then, we decline to set a waiting time rate for interstate operations different from the waiting time rate prescribed within the District of Columbia.

Imperial further proposes a rate for employing a taxicab on an hourly basis as follows: \$16 for the first hour or fraction, plus \$4 for each additional 15 minutes or fraction. This rate, too, is higher than the \$12 rate prescribed for such service within the District of Columbia. However, in our previous rate order 2/ we examined carefully the matter of employing a taxicab on an hourly basis, concluding that the "hourly alternative does not translate well to the interstate rate system." Again, Imperial provides no supporting justification for its proposal. We find none, we adhere to our prior position, and we shall not adopt any rate for such service, thus proscribing it.

Imperial also proposes "an additional charge" for snow emergencies consistent with that "allowed by the Public Service Commission of the District of Columbia." 3/ We have never adopted a snow emergency rate. In 1979 we began taking the extra precaution of including a definite negative provision against snow emergency rates. 4/ Imperial asserts no rationale for its proposal, and we shall reject it.

Imperial advances a new proposal for flat rates for District of Columbia taxicabs operating between the District of Columbia and the airports, based on District of Columbia fare zones. Imperial's justification for this proposal is limited to the following statement:

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1/ See Order No. 2719, served June 17, 1985.

2/ Id. at pp. 9-11.

3/ This is a good opportunity to note that after Imperial's filing of its proposal, jurisdiction over taxicabs within the District of Columbia was assumed by the D.C. Taxicab Commission pursuant to D.C. law 6-97, the "District of Columbia Taxicab Commission Establishment Act of 1985."

4/ See Order No. 2067, served December 6, 1979.

The major complaints of passengers travelling interstate in taxicabs licensed and regulated by the District of Columbia are the inconsistency of charges by owner-operators for similar services and distances travelled by other taxicabs within the Metropolitan District. For that reason we are requesting this Commission to establish Flat Rates to and from National Airport, Dulles Airport and BWI Airport 5/ to help alleviate overcharging.

Imperial's proposal for flat rates contains numbers suggesting that these rates were based on distance and Imperial's proposed mileage rates. However, Imperial provides no information as to its assessment of the distances. The Commission staff estimated the mileage involved to a representative point in each zone and applied Imperial's proposed mileage rate in order to test the figures. Shown below is a comparison based on Zone 2. Zone 2 was selected because it has instances of high, low and even comparisons. However, most of Imperial's flat rate zone charges were higher than Imperial's mileage rates applied to staff's mileage.

WASHINGTON NATIONAL AIRPORT

<u>Zone</u>	<u>Location</u>	<u>Imperial Flat Rate</u>	<u>Approx. Mileage</u>	<u>Imperial Mileage Rate</u>
2A	Wisc. & M, NW	\$10.50	5.5	\$7.50
2B	16 & Columbia, NW	9.90	6.5	8.70
2C	4 & R.I., NE	11.10	7	9.30
2D	8 & Pa., SE	10.50	6	8.10
2E	4 & P, SW	7.80	5	6.90

WASHINGTON DULLES INTERNATIONAL AIRPORT

<u>Zone</u>	<u>Location</u>	<u>Imperial Flat Rate</u>	<u>Approx. Mileage</u>	<u>Imperial Mileage Rate</u>
2A	Wisc. & M, NW	\$34.50	25.5	\$31.50
2B	16 & Columbia, NW	34.50	29	35.70
2C	4 & R.I., NE	34.50	30	36.90
2D	8 & Pa., SE	35.70	30	36.90
2E	4 & P, SW	35.70	29	35.70

This does not necessarily show that the fares recommended by Imperial could not occur somewhere within the zone. It is simply that Imperial fails to give any explanation of how it arrived at its figures.

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5/ As noted above and in Order No. 3038 publishing this proposal, BWI rates are not within this Commission's jurisdiction.

The main attraction of this proposal is its predictability. If one were a local resident or a frequent visitor, one could know the correct fare to or from either airport with some precision, thus making an overcharge more difficult. However, the same is true now for local residents and frequent visitors. The problem often arises when someone unfamiliar with the system arrives at the airport. Such a person would also be unfamiliar with Imperial's proposed airports-only zone system for District of Columbia taxicabs only, and would be equally subject to unscrupulous behavior. The existing fare system does not cause overcharging, and the proposed zone system cannot prevent it.

We find no inherent protection for the consumer in this proposal. What we find is another fare system proposed for District of Columbia taxicabs which already have two -- a zone system within the District of Columbia, and an interstate mileage system. While precisely predictable fares do offer some advantage, we find it insufficient to overcome the disadvantage of heaping another fare system on District of Columbia taxicab operators and their passengers.

Imperial's final recommendation is that the Commission permit "a taxicab meter to be installed at the option of the owner-operator and maintained by the owner-operator in proper working condition." The rates to be set on such meters would be a "first drop" of \$1.10 for the first 1/6 mile, plus 20¢ for each additional one-sixth mile. This proposal was advanced by the same parties, then appearing as "Eastern, et al.," in the 1985 rate case. At that time we put the matter off, looked into the issues on our own, and decided not to initiate a separate investigation to pursue the matter. We will address it now.

First, we must consider whether the Commission has authority to grant the request. The Compact, Title II, Article XII, Section 8 states, in its entirety:

The Commission shall have the duty and the power to prescribe reasonable rates for transportation by taxicab only between a point in the jurisdiction of one signatory party and a point in the jurisdiction of another signatory party provided both points are within the Metropolitan District. The fare or charge for such transportation may be calculated on a mileage basis, a zone basis, or on any other basis approved by the Commission; provided, however, that the Commission shall not require the installation of a taximeter in any taxicab when such a device is not permitted or required by the jurisdiction licensing and otherwise regulating the operation and service of such taxicab. [Emphasis supplied.]

For District of Columbia taxicabs, which do not have meters, we conclude that the Commission has authority to permit, but not require, the installation of a taximeter. Imperial asks no more than that.

We must now consider the advisability of granting such permission. A taximeter must be properly installed, set, and maintained. Moreover, it should be initially, periodically, and randomly inspected to determine that it is set at the lawful rate and that it is in proper working order. It is not appropriate that certain of these functions should be performed by the "owner-operator". Furthermore, such functions are beyond the resources of this Commission and would not be the responsibility of the District of Columbia for taximeters it does not permit or require.

The inspection function alone is enough to cause us to conclude that granting Imperial's request would be inadvisable at this time. We have other reservations as well.

The taximeter is not an inexpensive piece of equipment. One of good quality may cost a few hundred dollars. It would take substantially longer to recover the cost of a taximeter in limited application to interstate service. This is particularly true when one considers the fact that the taximeter would not produce any substantial increment of revenue over the interstate mileage rates. From this we conclude that there would be little legitimate incentive for an "owner-operator" to make an optional investment in equipment that would not significantly improve the economics of his business.

Most jurisdictions throughout the country employ taximeters. Large numbers of people visit the District of Columbia for business and pleasure. Most of these people would expect to see a meter in a taxicab and would be likely to raise a question only if the meter were not used. Thus, they might believe they were somehow being cheated on a local zone trip simply because the driver was not using his optional interstate meter. This, in turn, could put pressure on the operator to inappropriately employ the meter on such trips.

And, finally, we have already expressed our reluctance to establish a third rate system for District of Columbia taxicabs.

In addition to its various proposals, Imperial presented a recommendation, dated March 23, 1987, to the District of Columbia Insurance Administration by its staff that taxicab insurance requirements, and the premiums associated therewith, be increased for bodily injury and property damage. After Imperial filed this material with the Commission, the District of Columbia Insurance Administration, on June 22, 1987, entered an order increasing these insurance requirements in two stages as follows:

<u>B.I &amp; P.D. Liability (in thousands)</u>	<u>Effective</u>	<u>Biweekly Premium</u>	<u>Monthly Premium</u>	<u>Annual Premium</u>
10/20/5	Current	\$37	N/A	\$ 917.80
15/30/10	09-01-87	\$59	\$125	\$1,464.00
25/50/10	06-02-88	\$66	\$140	\$1,637.00

It is worth noting that these rates include an increment bringing the limits of liability up to the requirements of Maryland and Virginia for accidents occurring in those jurisdictions.

Although Imperial makes no quantitative attempt to relate these future insurance premium increases to any of its fare proposals, we do take notice of the order of the Superintendent of Insurance as evidence that these expenses will increase over the next year for District of Columbia taxicabs.

Turning to Mr. Schlaifer's proposal, he recommends a mileage rate of \$2.10 for the first mile, plus \$1.20 for each additional mile. He recommends the same charges as Imperial for waiting time (\$12 an hour) and for a taxicab employed on an hourly basis (\$16 an hour). Mr. Schlaifer offers no justification for these hourly rates. We shall maintain the existing rate for waiting time (\$9 an hour), and we find no reason to alter our policy against the hiring of a taxicab on an hourly basis in interstate service.

Mr. Schlaifer further proposes to increase the baggage charge from 15¢ to 25¢, the charge for a trunk or footlocker from \$1.25 to \$2, and the afternoon peak period surcharge from \$1 to \$1.25. Mr. Schlaifer is well aware of this Commission's policy of deferring to such locally implemented incidental charges when they are compatible with the general scheme of interstate rates. He offers no justification for these changes, and we find none.

Finally, and most significantly, Mr. Schlaifer proposes a rate of 40¢ per minute of elapsed time during which a taxicab is engaged for interstate service. This rate, the equivalent of \$24 an hour, would be applied if it resulted in a fare higher than the mileage rate. As justification, Mr. Schlaifer relies on previous correspondence and the same recommendation put forward in our 1985 rate case. Both Mr. Schlaifer's proposal and the Commission's decision in the 1985 case quoted the following passages from our rate orders of 1979 and 1982 as central to this issue:

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. The proposal will be not accepted.

ATI proposes that we adopt for all interstate meter rates those recently prescribed for Fairfax County taxicabs, for the following reason:

Geographically, Fairfax County represents the largest single territory of the metropolitan district and interstate metered rates should be compatible with their rates.

We find this argument less than persuasive.

#### EXTRA PASSENGER CHARGE

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

\$1 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.

<u>Jurisdiction</u>	<u>Charge</u>	<u>Conditions</u>
Alexandria	\$1.25	2 years or older
District of Columbia	1.25	free under 6 years with older person
Arlington	1.00	over 6 years
Montgomery	1.00	except groups of senior citizens
Prince George's	1.00	outside county; 50¢ within county; free under 6 years
Fairfax-Falls Church	.80	over 12 years

On the basis of the table above, the average extra passenger charge is \$1.05; the median value is \$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. Having examined these values, we are not disposed to change our current charge. At \$1.00 it represents the median and mode, and is only a nickel under the unweighted mean. It is the charge prescribed by fully half of the local rate-setting jurisdictions. It is easy to remember and easy to add to the computed fare. It is in line with prevailing rates and provides the comparability we seek to achieve. Accordingly, we shall retain our existing extra passenger charge to be uniformly applied to all interstate taxicab trips within the Metropolitan District without regard to where the trip originates or terminates, or in what jurisdiction the taxicab is licensed.

#### INCIDENTAL CHARGES

With the exceptions already discussed and others we have historically found necessary and appropriate to interstate rates, we shall adopt the incidental charges prescribed by the D.C. PSC (acknowledging the current jurisdiction of the District of Columbia Taxicab Commission) 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 response 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 \$9 an hour as previously discussed.

## CONCLUSION

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 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 similar 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. The effect is to increase rates by 20¢ per mile, resulting in the following fare structure:

\$2     First mile or fraction  
60¢    Each additional 1/2 mile or fraction

All other rates and charges remain unchanged. We have employed 60¢ half-mile increments which, as we pointed out earlier, produce on the average 20¢ per trip more revenue than the 20¢ sixth-mile increments. We continue to be convinced that larger increments are important to facilitate computations from the odometer. The rates prescribed herein represent the modal value of rates for similar service in the Metropolitan District and are somewhat higher than the unweighted average.

We have also retained the \$1 surcharge per trip for service originating in the District of Columbia between 4 p.m. and 6:30 p.m., Monday through Friday, except holidays. As we said when we first adopted this surcharge in 1985:

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. [Order No. 2719, served June 17, 1985, Case No. MP-85-07, at p. 12].

With regard to Air Transit, Inc., we find that its 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 earlier. 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 apparent 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; Order No. 2336 served May 7, 1982, and Order No. 2719 served June 17, 1985. 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.

THEREFORE, IT IS ORDERED:

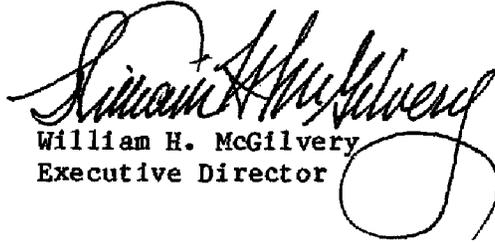
1. That the investigation in Case No. MP-87-15 instituted by Order No. 3038, served June 3, 1987, is hereby concluded.
2. That the rates and charges for transportation of passengers in interstate service between points within the Metropolitan District in taxicabs licensed and regulated by the District of Columbia are hereby prescribed as set forth in Appendix A to this order, effective 4 a.m., Monday, September 21, 1987.
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 Monday, September 21, 1987.
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, September 21, 1987.
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 continue to be:

\$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)

- \$2.00 First mile or part thereof
- .60 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.

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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.

Appendix B to Order No. 3058  
Effective September 21, 1987

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

- \$1.00 First 1/6 mile or fraction
- .20 Each additional 1/6 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)

- \$2.00 First mile or part thereof
- .60 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.

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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.