

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1075

IN THE MATTER OF:

Served July 29, 1970

Application of Greyhound
Airport Service, Inc. to
Increase Airport Taxicab
Fares

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Application No. 620
Docket No. 217

In Order No. 1069 issued July 20, 1970, we directed Greyhound Airport Services, Inc., (Airport Services) to submit a taxicab fare structure which would permit Airport Services to break even on its taxicab operations, pending a full determination of the rate levels of not only the taxicabs but of the airport limousines and buses operated by Airport Services. Specifically, the taxicab rates were to be designed to overcome a \$229,927 operating deficit.

In response, Airport Services has submitted a proposal for an interim fare involving increasing the first meter drop from 60 to 90 cents, or put another way, increasing the current fare of 60 cents for the first mile for all trips to and from Washington National and Dulles International Airports to 90 cents for the first mile. No adjustment in the fares to be charged beyond the first mile is proposed. According to record estimates, Airport Services will operate 871,500 metered airport taxicab trips during 1970. The 30-cent additional charge on each of these trips would produce \$261,450. Deducting ten percent payable to the Federal Aviation Administration as a franchise fee, and an estimated \$2500 in costs to change the face plate on the meter to reflect the new fares, the net result of the 30-cent-per-ride increase would be \$232,805.

Airport Services states that it proposed the simple addition of a 30-cent charge to all airport taxicab rides as an interim fare for several reasons. It would be less costly

than an adjustment of the fare structure involving new charges for different mileage increments that would have involved either purchase of new meters or a costly adjustment of existing meters. The plan proposed by Airport Services involves only the cost of changing meter face plates and no adjustment of the meter gears. Another consideration in Airport Services' proposal was the relative certainty of determining what a 30-cent-per-ride charge would produce in revenues.

Some of the protestants in the proceedings have submitted written comments on the interim fare proposal. Irving Schlaifer, on behalf of the Emergency Taxicab Committee, suggested that the interim rate be set at 70 cents for the first mile and 30 cents for each additional half mile which he avers amounts to an increase of 10 cents per mile over the present rate. However, compared to the company's proposal, it is much less certain that the scheme he suggests will produce the amount of revenue we have allowed the company to generate.

The Taxicab Industry Group, Clarke Associates and Robert H. Smith and Arthur A. Birney, trustees for Plaza Associates, also submitted comments. They object to the proposed interim increase on the grounds that it is unduly discriminatory against the shorter trips, and that the franchise fee to FAA, in effect, has been twice fed into the calculation of what the company should recover in order to break even.

It is true that the imposition of a flat increase of 30 cents for each taxicab ride places a proportionately higher share of the increase on the short-haul rider, but we do not believe that factor outweighs the considerations favoring Airport Services' proposal. First, we note the testimony of Mr. Rosenzweig that the initial drop of 60 cents for the first mile has been too low and has not borne an adequate relationship to the initial cost that each passenger should bear. Thus, we feel that there is support in the record for the impact upon the short-haul rider of raising the initial drop as proposed. Second, the fare structure involved is an interim one, and to the extent there is any discrimination, it will be only temporary.

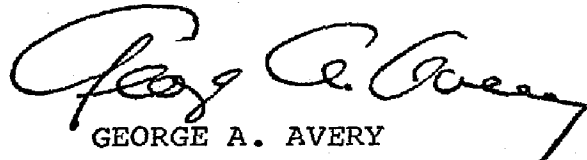
Further, the position of the Emergency Taxicab Committee is that a minimum fare of \$1.50 should be established, a position opposite to that urged by the Taxicab Industry Group. Thus, we have opposite positions being taken on the question of the appropriate level of fares for the short-haul ride by people who purport to represent the local taxicab industry.

The contention that the franchise fee has been given double effect is not correct. The operating statement on page 3 of Order No. 1069 shows the inclusion of a franchise fee of \$324,982, which is 10 percent of the total revenues estimated for 1970 with no fare increase. In addition, effect must be given to the impact of the franchise fee on the amount of the increased revenues to be generated under the interim fare by deducting 10 percent of that increased amount to determine the net amount available to the company to eliminate the deficit.

On consideration of all the presentations made, we believe that the interim proposal of Airport Services is in the public interest and we will adopt it.

THEREFORE, IT IS ORDERED that Greyhound Airport Services, Inc., be, and it is hereby, authorized to amend its schedule of charges for taxicab service by increasing the charge for the first mile from 60 to 90 cents, effective 12:01 A.M., Monday, August 3, 1970.

BY DIRECTION OF THE COMMISSION:


GEORGE A. AVERY
Chairman

