

March 5, 2012

Committee on Transportation  
State of Connecticut General Assembly  
February Session, 2012

Re: RAISED BILL NO. 5368  
AN ACT CONCERNING THE MODERNIZATION OF THE STATE'S TAXICAB  
INDUSTRY

My name is Joseph Miller and I am the General Manager of the Curtin Transportation Group.

I am speaking today in opposition to RAISED BILL NO. 5368, AN ACT CONCERNING THE MODERNIZATION OF THE STATE'S TAXICAB INDUSTRY.

The Curtin Transportation Group includes the following taxicab companies:

Yellow Cab Company of New London & Groton, Inc Certificate # 68  
Union Lyceum Taxi Co, Inc Certificate # 95  
Waterbury Yellow Cab & Service Co, Inc Certificate # 107  
Groton Cab Co, Inc Certificate # 493

The Curtin Transportation Group is a fourth generation family owned company and has been actively involved in the Connecticut Taxicab Industry since 1918.

We provide taxicab service to New London County and the City of Waterbury and surrounding towns.

The fee structure incorporated into RAISED BILL NO. 5368 will put an unnecessary financial burden on the established taxicab companies and impose unnecessary financial costs on potential taxicab companies attempting to obtain a certificate of operation from the Department of Transportation.

In today's economy, companies in Connecticut are finding it harder to operate. This includes the taxicab industry.

Recently enacted laws concerning the service industry, the rising cost of vehicle parts and maintenance, and the everyday rise in the cost of fuel are putting a financial strain on the taxicab industry.

A recently enacted fare increase in January 2012 (meter drop: \$3.00 1<sup>st</sup> 1/8 mile, .30 each additional 1/8 mile, .30 every 30 seconds) has already put a financial burden on the consumer, many of whom can afford it the least, as they have no other means of transportation.

This rate increase absorbed the fuel surcharge in place at the time of the decision. A clause in the January decision states that a fuel surcharge will be enacted when the price of gasoline exceeds \$ 4.00 a gallon.

The fuel surcharge is passed on directly to the consumer, in addition to the recently enacted rate increase.

The enactment of RAISED BILL NO. 5368, will result in additional costs to the certificate holder, which will have to be passed onto the customers of the taxicab certificate holder. The customer of the taxicab certificate holder is the TAXICAB DRIVER. The increase in costs to the taxicab driver will result in the taxicab driver not being able to meet his lease obligation, which will result in less taxicab drivers being available to drive the taxicabs of the certificate holders.

This will result in the taxicab certificate holders petitioning the Department of Transportation for a rate increase to offset the costs associated with RAISED BILL NO. 5368.

I would like to call your attention to specific areas of raised bill no. 5368, which would place an unnecessary financial burden on taxicab certificate holders and prevent new taxicab companies from developing.

Line 41: The current fee of \$88 covers the costs associated with the criminal history check. An increase to \$2,000 is excessive and an unnecessary cost burden to taxicab companies.

Line 59: Removing the provision that "the department shall not consider as a ground for denial of a request for an increase in the number of taxicabs to be operated within a territory specified, any number of taxicabs not currently registered with the Commissioner of Motor Vehicles at the time of filing", will only result in the elimination of small taxicab companies. Currently to obtain an increase in the number of taxicabs assigned to a certificate, the certificate holder must show a need for service in the certificate area. If a certificate holder is not fully utilizing the number of taxicabs allowed in the certificate area, then there is currently not a demand for service that would warrant an increase in the number of taxicabs, (medallions), assigned to the certificate. Allowing an increase in the number of medallions issued to a certificate without showing a need for the issuing of additional medallions, only serves to increase the potential worth of the taxicab company to investors or lenders, without having to invest in the infrastructure, (vehicles, associated fees, maintenance), needed to support the issuance of the additional medallions. This will result in the large taxicab companies getting bigger and eliminating the competition within the certificate area.

Line 69: An applicant for a taxicab certificate may be able to show a need for two taxicabs to service a small town area. The requirement that an applicant must pay the fees associated for a minimum of five taxicab medallions results in an inflated cost to do business in the State of Connecticut. This requirement for a start up company to pay fees for medallions not requested or needed is against the free enterprise system and only assists the large taxicab companies in preventing competition in the certificate area.

Line 78: Once a taxicab company successfully completes the application process but finds after a year or two that they are not successful in the taxicab industry, they should be allowed to sell or transfer their medallions. Referring back to line 59, if the large taxicab companies can add medallions without showing a need for increased service and small companies are not allowed to sell or transfer their medallions to other small companies, then the large taxicab companies can eliminate competition within the certificate area.

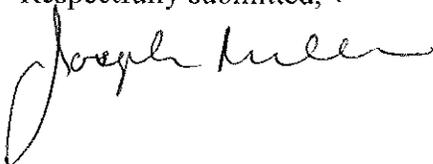
Line 103: The costs associated with the transfer of the current certificate system to a medallion system, is unreasonable and financially burdensome to the taxicab certificate holder. In today's economy a taxicab certificate holder with 10 taxicabs would incur a cost of \$2,000 for a change in paperwork and the issuance of unneeded medallions. A taxicab certificate holder with 90 taxicabs would incur an unnecessary and unreasonable financial cost of \$18,000 per year.

Line 124: The additional cost of \$200 annually per medallion only increases the operating costs for the holders of the taxicab certificate. This addition annual cost without justification would only help small taxicab companies go out of business, resulting in lost employment opportunities, and result in a loss of competition to the large taxicab companies.

Line 126: The cost of accepting credit cards as payment is in the area of 3%, which is borne by the taxicab company. It is unreasonable to require a taxicab company to accept a 3% loss of revenue by requiring it to accept credit cards as payment. Other small business owners have the right to refuse payment by credit card. The loss of 3% on a portion of a small company's earnings in addition to the increase in fees associated with RAISED BILL NO. 5368 will result in the failure of the small taxicab company.

Line 205: Currently the fee for renewing a public service license, (taxicab hack license), is \$1.00 per month for the 5 year period, for a total of \$60 plus the newly enacted fee of \$30, for a total of \$90 in addition to the normal license fee. Requiring an annual fee of \$100 is unreasonable in today's economy and will prevent persons wishing to become a taxicab driver from being able to afford the licensing process.

Respectfully submitted, .

A handwritten signature in cursive script, appearing to read "Joseph Miller".