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HB 6349
Public Hearing: 3-2-15

TO: MEMBERS OF THE TRANSPORTATION COMMITTEE

FROM: BILL SCALZI
PRESIDENT, METROTAXI
VICE PRESIDENT, TAXI, LIMOUSINE & PARATRANSIT ASN

DATE: MARCH 2, 2015

RE: HB 6349 – AN ACT CONCERNING RIDE-SHARING COMPANIES AND DRIVERS

As the owner and President of Metro Taxi, a company servicing a 16 town territory including New Haven and Bridgeport, I strongly urge the committee to pass legislation that mandates the enforcement of the current laws regulating all for-hire transportation companies and drivers. Indeed, I find it ironic that we must pass legislation to enforce legislation, as if certain laws you enact can just be ignored, and as if certain people can choose which laws they can shirk.

In my 28 years of operating Metro Taxi I have worked tirelessly to provide the riding public a safe, 24/7, fully insured service. Taxi and Livery operators in Connecticut are held accountable by multiple state agencies for compliance with all of the common sense laws and regulations which ensure safe, insured, and fairly-priced transportation for all of the general public. These regulations were forged over decades of legislation, public hearings, and the unfortunate experiences of very serious crimes committed against the public. Over time, in Connecticut, we've all worked very hard to fine-tune the regulation so as to finally arrive at what's best for the interest of the public.

As in most regulatory jurisdictions across the United States, the regulatory authority in Connecticut (the Department of Transportation) issues taxi permits based upon the suitability of the applicant, their financial ability to carry out their responsibility, and the public need for the proposed service, all through an administrative hearing process, open and transparent.

As a result, each approved taxi company faces a level playing field and must conform to the following:

- Operate a specific number of vehicles 24/7/365
- Commercially insure each vehicle up to the state mandated limits
- Comply with an initial governmental vehicle inspection and subsequent routine maintenance inspections at licensed repair facilities for each vehicle in service

- Only contract with drivers who have undergone a governmental driver criminal history check (biomedical) for both CT and FBI bureaus and passed a state-mandated physical examination by a licensed physician
- Charge passengers a state approved rate of fare that may not vary at any time
- Make all of our vehicles easily recognizable as taxicabs or liveries with a recognizable company name, and published rates
- Provide non-discriminatory service to all areas of their licensed territory (e.g. regardless of disability, or location),
- Make sure that all companies conduct business only in their licensed territories.

In 2008 this committee mandated that the Program Review Investigation Committee (PRI) perform a study "to determine the appropriate level of regulation for taxicabs and liveries in Connecticut." The report, released in December 2008, recommends more stringent regulations and far more regulatory enforcement, exactly the opposite from the manner in which the Transportation Network Companies (TNC's) operate. As shown by the Committee's post-study report in 2012 (submitted electronically), few of those recommendations were ever acted upon. Hundreds of hours of work went ignored.

There is no doubt that the vehicles used to transport TNC passengers are operating as taxicabs as defined in CSG 13b-95 and CSG 13b-96, yet they have been allowed to operate freely within Connecticut since April 2014 with absolutely no regard to the regulations regarding for-hire vehicles mentioned above, blatantly ignoring and violating the law and every legislation you've passed. To my knowledge there has not been any challenge to the recommendations of the PRI report, so what could possibly be the reason for letting TNC's operate in Connecticut in violation of our current laws and, in doing so, placing the public at risk? Has nobody seen the plethora of media articles regarding the rapes, assaults, and muggings of Uber passengers?

Yet, the TNC's maintain that the public loves them, they represent the new way to transport passengers, and that taxicab regulations are old and outdated. I ask which segment of the public loves them. The public seems to be conveniently and narrowly defined as the person with a smart phone and a credit card on file; the person who does not live in a low income, high-crime area; the person who is not elderly or disabled; and the person who wants their ride first above all the others who don't meet those qualifications. That's not a taxi service; that's a jungle, and the law of the fittest and the most powerful; in other words, the very climate you've worked for years to avoid. Let's all be thankful that we have taxi regulations in place to make sure that taxi service doesn't become that.

Regulations are enacted for public safety and public need and, once established, the marketplace adjusts to conform to them. In this instance, the TNC's have determined their business model, ignored the legislation you've passed, made an enormous amount of money, and now would like the legislation and you the legislators to adjust to their business model of so-called corporate success. This is typically referred to as 'the tail wagging the dog,' and completely ignores the regulations put in place to protect the public. Who is in charge here, the legislature and the people, or the TNC's?

Connecticut's taxi and livery industries have consistently advocated for better legislation. Each year the taxi industry proposes several new regulations (including new permit and licensing fees) that would set

higher service standards and reporting requirements, while keeping the safety requirements intact. Nearly all of what we've proposed has failed to pass the legislature and, consequently, little has been done to raise the service bar. The DOT has not embraced the recommendations of the PRI report and, consequently, the taxi industry has been neglected.

The experience so far in Connecticut, with less than a year of a major TNC entering the market, is that many passengers now do not know what vehicle they're getting into and who is driving the vehicle. Cars with license plates from New York, New Jersey, even Florida are soliciting CT transportation hubs, restaurants and bars, and picking up customers who are flagging them down just like any licensed taxicab would. Even the TNC's would agree that there is absolutely no insurance coverage on cars operating in that manner, especially since they most likely wouldn't be locatable after an assault, rape, or any other crime.

I don't think I could say it any better than the PRI study: "Connecticut's requirement for proof of public convenience and necessity for market entry was examined, and PRI concluded that proof of public convenience and necessity—as well as the elements of suitability and financial wherewithal—should be maintained as it serves a purpose in controlling the flow of cabs into particular towns and cities, helping to avoid oversaturation of the market and poor service."

WE RESPECTFULLY URGE YOU TO ENFORCE THE CURRENT LEGISLATION AND PREVENT TNC'S FROM FLAUNTING OUR LAWS AND ATTEMPTING TO CHANGE THE REGULATIONS OF THE FOR-HIRE TRANSPORTATION INDUSTRIES IN CONNECTICUT, NOT FOR EFFICICENCY PURPOSES, BUT MERELY TO ACCOMMODATE THEIR PROFITABLE, TAX AVOIDING BUSINESS MODEL.