



# All You Need Is Seven!

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HB 5523

Public Hearing: 3-15-16

TO: MEMBERS OF THE INSURANCE AND REAL ESTATE COMMITTEE

FROM: Bill Scalzi  
President, Metro Taxi CT  
President Elect, International Taxi, Livery, and Paratransit Association

DATE: March 15, 2016

RE: **HB 5523 – AN ACT CONCERNING RIDE-SHARING COMPANIES AND DRIVERS**

MetroTaxi strongly urges the committee to amend this proposal to allow taxicab companies to have the same cost savings and protections afforded Transportation Network Companies (TNC's) under the insurance policies considered in the bill. We have attached language which we believe will achieve that goal. The changes to the current taxicab statutes will create a level-playing field and an environment in which we could compete fairly with equal access this legislation gives to the TNC's.

The taxicab industry has been trying to modernize in Connecticut for many years. Now is a great opportunity to begin that process so that the people who cannot, or choose not to, utilize TNC's can continue to get the 24 hour on-demand service our company has been providing for decades.

Unlike TNC's taxicabs cannot legally turn down customers (red-lining sections of cities), rate customers, and then refuse them service, engage in surge-pricing, or discontinue service during certain times of day or night. These are all practices that TNC's can engage in right now, and have been engaged ever since they began operating. These double-standards are forcing current taxi companies to compete with hands tied behind their back. In order to modernize and be on a level-playing field we request the following additions to the current bill:

- 1) A ninety day temporary permit so that our insured drivers can begin work after their initial background check as the state carries out the much needed fingerprint background checks. This language existed in statute previously. It should be reinstated now to insure that the new TNC's provide qualified drivers just as current taxicab companies must provide qualified drivers.
- 2) Remove fare rate setting, allowing taxicabs to pass savings from insurance alternatives onto customers

- 3) Make removable rooftop lights the new identification requirement for taxicabs
- 4) Allow for registration of private vehicles so that the new insurance products would be available to taxicab companies or drivers who choose to utilize a part-time model

These sensible changes are crucial this year to allow for taxicab companies to enjoy the same benefits TNC's are being offered. More importantly, these changes will protect consumers and passengers. These changes will maintain the current taxi companies' solid financial responsibility (with a tax base in Connecticut), and properly insure every driver and every passenger in the most cost-effective way possible.

In addition to the request for additional language as outlined above, the industry would be remiss if it did not point out some serious problems with the current language in the bill as it relates to TNC's:

First, in lines 7-8 of the bill a TNC driver is specifically designated as "not an employee". This particular language has nothing to do with insurance. This is an attempt to do an end-run around Connecticut's labor laws and the Federal Fair Labor Standards Act by legislatively attempting deceitfully to label drivers independent contractors. In fact, TNC's around the country are facing lawsuits over just this issue.

Here, in Connecticut, whether someone is considered an employee or an independent contractor is determined by the Department of Labor which utilizes what is known as the ABC test. It is possible for the criteria to apply to TNC drivers who may be considered independent contractors. However, for the sake of the drivers and the passengers this decision should be left up to the Department. It should not be imposed on the public by sneaking in language totally outside the scope of this legislation. This definition of "driver" should be removed and left up to the appropriate Department to determine.

Finally, the taxicab industry strongly opposes both sections 2 and 3 of this bill, which statutorily exempts TNC's from being considered taxicabs or motor vehicles in livery service. TNC's have been operating in Connecticut for nearly two years, and their drivers have been clearly meeting the definition of both taxicabs and motor vehicles in livery service.

It is fundamentally unfair to now specifically exempt TNC's from those definitions when they have steadfastly refused up until now to admit that they or their drivers were performing those very functions. These two sections should be removed from the bill.

If the TNC's are truly a "new" service as they claim, they should operate in a way that clearly differentiates them from the existing statutorily-defined public transportation modes. They cannot have it both ways. To allow them to do so is patently unfair to taxi companies that have met every letter of the law and pay taxes in Connecticut. Indeed, the practice would reward scofflaws and punish lawful behavior.

**WE RESPECTFULLY URGE YOU TO AMEND THIS PROPOSAL TO ALLOW THE TAXICAB INDUSTRY TO COMPETE FAIRLY WITH TRANSPORTATION NETWORK COMPANIES.**

Sec. 4. (NEW) (Effective July 1, 2016) Any applicant who meets the requirements for a public passenger transportation permit and intends to use the endorsement to drive a taxicab or vehicle in livery service, shall be issued a ninety-day temporary permit pending completion of a national criminal history records check and receipt of notice of the applicant's national criminal record, provided such applicant shall submit to and the department has completed a state criminal history records check prior to the issuance of such temporary permit. Any applicant for renewal of a permit shall be issued such renewal pending completion of a national criminal history records check and receipt of notice of the applicant's national criminal record, provided such applicant shall submit to a state criminal history records check prior to the issuance of such renewal.

Sec. 5. Section 13b-96 is repealed and the following is substituted in lieu thereof:

(a) Each person, association, limited liability company or corporation owning or operating a taxicab is declared a common carrier and subject to the jurisdiction of the Department of Transportation. The Commissioner of Transportation is authorized to prescribe adequate service and reasonable rate[s and charges] calculation equipment which shall not require the use of traditional taxi meters, but include modern rate calculation equipment including, but not limited to, cellular phone and internet applications. The commissioner may adopt regulations, in accordance with chapter 54, for the purpose of [establishing fares], service, operation and equipment as it deems necessary for the convenience, protection and safety of passengers and the public.

[(b) The rates and charges established pursuant to subsection (a) of this section shall not apply to any person, association, or corporation (1) operating a taxicab engaged in the transportation of passengers for hire pursuant to a contract with, or a lower tier contract for, any federal, state or municipal agency, (2) certified pursuant to section 13b-97 prior to May 22, 1998, and (3) registered pursuant to section 13b-99 prior to May 22, 1998.]

(c) Notwithstanding the provisions of subsection (a) of this section or any regulation adopted pursuant to said subsection (a) concerning wheelchair accessibility requirements for motor vehicles, any motor vehicle in compliance with the provisions of the Americans with Disabilities Act 42 USC 12101 and the registration requirements of the Connecticut Department of Motor Vehicles may be used to provide taxicab service for persons requiring such wheelchair accessibility.

(d) Notwithstanding the provisions of subsection (a) of this section or any regulation adopted pursuant to said subsection (a) concerning wheel base requirements, any sedan or station wagon type vehicle powered by a clean alternative fuel and having

a wheel base of not less than one hundred two inches may be used to provide taxicab service.

(e) Notwithstanding the provisions of subsection (a) of this section or any regulation adopted pursuant to said subsection (a) regarding insurance, the insurance requirements shall be deemed to be adequate if the policy meets the requirements set out for transportation network companies set out in Section 1 of this act.

(f) Notwithstanding the provisions of subsection (a) of this section or any regulation adopted pursuant to said subsection (a) regarding taxicab identification, the taxicab identification requirements shall be deemed to be adequate as long as they include a removable rooftop light which clearly displays the licensed company logo.

Sec. 6. Section 13b-99 is repealed and the following is substituted in lieu thereof:

(a) Upon the granting of a certificate of public convenience and necessity as provided in section 13b-97, the holder thereof or the owner of the vehicle to be utilized under such certificate may apply to the Commissioner of Motor Vehicles for the registration of any taxicab [of which the holder is the owner or lessee and] which is to be used as specified in such certificate, and the Commissioner of Motor Vehicles shall have jurisdiction over the registration of any taxicab and its exterior lighting equipment and over the licensing of its operator. Each registered taxicab shall have an [permanently] attached electric rooftop light. Each registered taxicab shall indicate, in three-inch type [permanently] affixed to the outside of such taxicab, the phone number of the company operating such taxicab. A holder of a certificate choosing not to register their private vehicle as a taxicab may utilize that vehicle as a taxicab if it meets the safety and signage requirements set forth in this Section.

(b) Each such taxicab shall be inspected, biennially, at the time of renewal of registration of such taxicab, by a repairer or limited repairer licensed and authorized by the Commissioner of Motor Vehicles to perform such inspections. The commissioner shall set a fee for such an inspection.

(c) Each such taxicab shall be exempt from the provisions of subsection (d) of section 14-100a.

(d) The Commissioner of Motor Vehicles shall adopt regulations, in accordance with chapter 54, to carry out the purposes of this section.