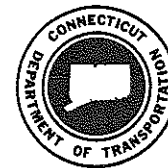


STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION



2800 BERLIN TURNPIKE, P.O. BOX 317546
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DOCKET NO. 0909-R-70-T

RE: PETITION OF THE DEPARTMENT OF TRANSPORTATION, REGULATORY AND COMPLIANCE UNIT, TO SET A STATEWIDE TAXICAB RATE OF FARE, PLUS THE FUEL SURCHARGE, AS A UNIFIED MANDATORY STATEWIDE RATE.

Final Decision

March 17, 2010

I. INTRODUCTION

A. PETITIONER'S PROPOSAL

By petition filed on September 23, 2009, with the Department of Transportation (hereinafter "Department"), pursuant to Section 13b-96 of the Connecticut General Statutes, the Regulatory and Compliance Unit of the Department of Transportation (hereinafter "petitioner"), seeks authorization to create a statewide taxicab rate of fare, plus fuel surcharge, as a unified mandatory statewide taxicab rate.

PROPOSED METERED TAXICAB RATES OF FARE:

METER DROP:	\$ 2.25 first 1/9 mile
TRAVEL:	.25 each additional 1/9 mile
WAITING TIME:	.25 every 29 seconds

B. HEARING HELD

Pursuant to Sections 13b-96 of the Connecticut General Statutes, as amended, and Sections 4-177 through 4-182 of the Connecticut General Statutes, inclusive, this petition was assigned for a public hearing which was held at the administrative offices of the Department in Newington, Connecticut on February 11, 2009.

Notice of the petition and of the hearing to be held thereon was given to the petitioner, and to such other parties as deemed necessary by the Department as required by Connecticut General Statutes Section 13b-97, as amended. Legal notice to the public was given by publication on the Department's website.

C. APPEARANCES

Several taxicab companies petitioned for intervenor status in this matter:

Mr. William Scalzi appeared on behalf of Transportation General d.b.a. Metro Taxi-Certificate Number 86 and Fairfield County Transportation, LLC.-Certificate Number 1154. The petitioner's mailing address is P.O. Box 26094, West Haven, Connecticut 06516.

Mr. Marco Henry appeared on behalf of The Yellow Cab Company -Certificate Number 1 and Metro Taxi-Certificate Number 1100. The petitioner's mailing address is 86 Granby Street, Hartford Connecticut.

Mr. Gerald Clancy appeared on behalf of Westport Star Taxi-Certificate Number 284. He has a mailing address of P.O. Box 3231, Westport, Connecticut 06880.

Mr. Jason Rolo appeared on behalf of Patriot Taxi-Certificate Number 1212. His mailing address is 1277 South Street, Suffield, Connecticut.

Mr. Vito Bochicchio appeared on behalf of Eveready Cab Company of Greenwich-Certificate Number 1134, Eveready Cab Company of Darien-Certificate Number 1124, Stamford Yellow Cab-Certificate Number 1065, Hoyt Taxi Service, Inc.-Certificate Number 1094, Canaan Parish Taxi, Inc.-Certificate Number 197 and Eveready Norwalk, Inc.-Certificate Number 1186. The petitioner's mailing address is P.O. Box 15, Darien, Connecticut 06820.

Mr. Joseph Miller appeared on behalf of Union Lyceum Taxi Company-Certificate Number 95, Groton Cab Company-Certificate Number 493, Yellow Cab of New London and Groton-Certificate Number 68 and Waterbury Yellow Cab & Service Company, Inc.-Certificate Number 107. The mailing address for these companies is 176 Cross Road, P.O. Box 341, Waterford, Connecticut 06385-0441.

Sheldon Lubin, appeared as a witness to explain the Regulatory and Compliance Unit's proposal.

II. FINDINGS OF FACT

1. The Regulatory and Compliance Unit seeks to implement a statewide uniform taxicab rate to end customer confusion due to differing taxicab rates for the same trip.
2. The vast majority of the taxicab operators in attendance at the hearing opposed the Department's proposal.
3. The uniform rate will only last as long as no taxicab company asks for a rate increase after the uniform rate is implemented.
4. The costs associated with operating a taxicab company vary by many factors including which region of the state the company operates in, size of the company, technology used by the company, population density and taxicab utilization.
5. If the proposed statewide taxicab rate is implemented, some of the taxicab companies would have their rates of fare lowered and some will have their rates raised.
6. The rate proposal does not address variations in the over 15 mile tariff charged.
7. Neither the Department nor the taxicab companies have received many complaints about the current taxicab rate structure.

III. DEPARTMENT ANALYSIS

The Department has jurisdiction over each person, association, limited liability company or corporation owning or operating a taxicab in accordance with Connecticut General Statutes Section 13b-93 as amended. In addition, the Department is authorized to prescribe adequate service and reasonable rates and charges with respect to fares, service, operations and equipment, as it deems necessary.

As no one from the Regulatory and Compliance Unit appeared to testify on behalf of the proposal, Mr. Lubin was asked by the hearing officer to act as a witness and explain the Department's position on this issue.

Mr. Lubin stated that the Regulatory and Compliance Unit requests an increase in the taxicab rates in some areas and a lowering of rates in other areas to unify the fares to create a state wide taxicab rate. The purpose of this proposal seems to be based on the idea that the public is confused by the varying taxicab rates and that the Department receives complaints concerning these rates. When questioned further about the number of complaints that the Department has received regarding differing taxicab rates, Mr. Lubin admitted that there have been very few complaints of this nature in the past six years. When asked to producing these complaints, no complaints were introduced into evidence by the Department.

The proposal by the Regulatory and Compliance Unit will not work for several reasons. Some of the taxicab companies in the State already have higher metered rates of fare than those proposed; Westport Star Taxi, Eveready Cab Company of Greenwich, Eveready Cab Company of Darien, Stamford Yellow Cab, Hoyt Taxi Service, Inc., Canaan Parish Taxi, Inc. and Eveready Norwalk, Inc. These companies went through a rate increase four years ago and received a rate increase after a public hearing in which they had to justify receiving the increased rate by producing financial information. It would be unfair for those companies to now be told they had to reduce their rates to satisfy this request by the Department.

The intervenor's opposition to the Department's rate proposal was noteworthy. The intervenors did not understand why the Department was making this proposal given that the Department had received few complaints from the public regarding differing rates. The intervenors themselves testified that they do not get many complaints of this nature. They also testified that having a unified rate is unworkable because all the companies' costs are not the same and that these costs are related to various factors including the region the company operates in. For example, Fairfield County is going to be more expensive to operate in than Hartford County.

In the past, the Department has based rate increases on company operating expenses and not on an arbitrary rate set by the Department that would benefit some companies and penalize others. Neither the Department nor any of the companies present at the hearing presented financial information to substantiate the rate increase.

Another issue discussed was how this rate change would affect the public. The intervenors testified that the State is in the midst of a recession. It is not in the public's best interest to raise taxicab rates when the companies themselves feel that this is a mistake and that their patrons cannot afford it. For the Department to force a taxicab company to charge a higher rate than what they believe they should be charging only hurts the public and could result in less people being able to use taxicab service.

Establishing a unified taxicab rate is not a feasible idea. As soon as the first company applies for a rate increase after the rate unification, the unified rate will no longer be the only taxicab rate in the State. This can be seen by the divergent rates around the State that have been granted since the last uniform rate increase in 2000. Thus, the concept of a state wide taxicab rate does not work over the long term.

It was also pointed out that the Department's plan did not take into consideration the over fifteen mile tariff that is set independently by the operators which is more likely to cause confusion on the part of the public when they receive two different rates for the same trip.

With regard to the fuel surcharge, there are some mixed feelings over whether the fuel surcharge should be mandatory or optional by the companies. Allowing companies to opt out of the fuel surcharge creates a difference in the taxicab rates of fare. On the other hand, should the public have to pay a higher rate if the taxicab company does not want to charge it.


Another concern by most of the companies was the fact that it is too costly to have to reset their meters every three months due to the change in the fuel surcharge. They propose a longer period of time between meter resets due to the cost and inconvenience and cost of having the meter resealed.

IV. CONCLUSION AND ORDER

Based upon the above and pursuant to the authority granted under Connecticut General Statutes Section 13b-96, as amended, the petition is hereby is denied.

Dated at Newington, Connecticut on the 17th day of March 2010.

CONNECTICUT DEPARTMENT OF TRANSPORTATION



Judith Almeida, Esq.
Staff Attorney III
Administrative Law Unit
Bureau of Finance and Administration