

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DIVISION OF PUBLIC UTILITIES AND CARRIERS
89 JEFFERSON BOULEVARD
WARWICK, RHODE ISLAND 02888

IN RE: New Uniform Tariff for Limited :
Public Motor Vehicles and Taxicabs : Docket No. 02 MC 114

REPORT AND ORDER

On September 13, 2002, industry members of the Rhode Island Taxicab Advisory Board ("TAB")¹ filed a petition with the Rhode Island Division of Public Utilities and Carriers ("Division") seeking an increase in the uniform rates currently in effect for taxicab and limited public motor vehicle services in Rhode Island.² The instant proposal differs from the current uniform rates as indicated below:

CURRENT UNIFORM RATES³

First one-half (1/2) mile (drop charge) - \$2.00

Each succeeding one-eighth (1/8) mile - up to \$.25

Waiting time (per hour) - \$15.00

Each additional passenger beyond two (2) passengers - \$1.00

Each piece of additional luggage beyond two (2) - \$1.00

Each footlocker or other large item - \$5.00

PROPOSED UNIFORM RATES

First one-tenth (1/10) mile (drop charge) - \$2.00

¹ The Rhode Island Taxicab Advisory Board is comprised of several Rhode Island taxicab companies and drivers, Division staff and an attorney from the Rhode Island Attorney General's Department who meet regularly to discuss issues related to the taxicab industry in Rhode Island.

² While each has distinctive characteristics, in the interest of brevity, this decision will refer to taxicab and limited public motor vehicles collectively as "taxicabs".

³ Current uniform rates were established through order numbers 14873 and 15000, issued on December 6, 1995 and June 7, 1996, respectively.

Each succeeding one-tenth (1/10) mile – up to \$.25

Waiting time (per hour) - \$25.00

Each additional passenger beyond two (2) passengers - \$1.00

~~Each piece of additional luggage beyond two (2) – \$1.00~~⁴

Each footlocker or other large item - \$5.00

In response to the petition filing, the Division conducted a duly noticed public hearing on October 23, 2002. The hearing was conducted at the Division's hearing room at 89 Jefferson Boulevard, in Warwick. The following individuals entered appearances:

For the Division's
Advocacy Section:

William K. Lueker, Esq.
Special Asst. Attorney General

For the TAB:

Mr. Gregg Manning, pro se
(Airport Taxi, Inc.)

Mr. Paul Miller, pro se
(Cozy Cab, Inc.)

Mr. Paul Desrosiers, pro se
(driver)

Including the three aforementioned TAB members, eight members of the taxicab industry appeared and testified in support of the instant petition. No one testified in opposition to the TAB's rate increase proposal.

The testimony and exhibits placed on the record in this docket universally claim that the taxicab industry in Rhode Island is in dire need of a rate increase. Evidence was proffered to show that since the industry's last rate increase in 1995, the costs associated with operating a taxicab business

⁴ The Petitioners propose to eliminate this currently effective charge.

have increased substantially. Particular emphasis was placed on insurance premiums and vehicle purchase/maintenance expenses.⁵

The witnesses also complained that because the current rates have cut profit margins so thin it has become extremely difficult to offer drivers a reasonable wage. As a result, the witnesses claim that service has suffered due to an ever-increasing dearth of drivers.

Two witnesses departed from the proposed drop charge of \$2.00 for the first 1/10 mile, contending that this minimum charge was still insufficient to ensure driver availability and proper service. These industry members opined that a drop charge of \$8.00 would be more appropriate.

The Division's Advocacy Section did not offer any witnesses in this docket. At the conclusion of the Petitioners case, the Advocacy Section recommended that the proposed rate increase be approved. In support of this recommendation, the Advocacy Section cited the time that has elapsed since the industry's last rate increase, and also convincing evidence that the industry's expenses have markedly increased over the last several years. Regarding the mention of a higher drop charge than that proposed in the petition, the Advocacy Section expressed disapproval, maintaining that an \$8.00 drop charge would be prohibitively expensive for many ratepayers who must frequently rely on taxicab service.

FINDINGS

The Division has considered the arguments and evidence presented in this matter and finds that the Petitioner's rate increase proposal is reasonable

⁵ See TAB Exhibits 1-6 and B&C Transportation, Inc. Exhibit 1.

and necessary in order to ensure adequate taxicab service in the future. In reaching this conclusion the Division, in addition to considering the evidence of record, also took into consideration recently promulgated Division Rules and Regulations, which now compel taxicab companies to utilize newer vehicles as taxicabs.⁶ During that rulemaking process the Division acknowledged that the costs associated with mandating the use of newer vehicles would likely necessitate a rate increase for the industry.⁷

The Division did, however, have some concerns regarding the elimination of the existing charge for carrying more than two pieces of luggage. Currently, taxicab companies are authorized to charge \$1.00 for each piece of luggage carried beyond an allowance of two free pieces. An additional charge of \$5.00 is also currently authorized for footlockers and other large items. The Division was concerned that by eliminating the \$1.00 luggage charge, confusion may result, which may lead to some taxicab companies or drivers improperly imposing the \$5.00 “large item” charge on some and perhaps all pieces of standard passenger luggage.

The Division raised this concern during the hearing, which prompted a discussion on a proper definition for the term “large item”. The TAB industry members recommended that the Division adopt the same definition used by the airline industry. Toward this end, the Petitioners offered additional evidence after the hearing had concluded, which described the airlines’ definition for a

⁶ See “Rules and Regulations Governing the Transportation of Passengers Via Taxicabs and Limited Public Motor Vehicles”, Rule G(8).

⁷ See Order No. 16369, issued on September 1, 2002.

larger than standard piece of “checked” baggage.⁸ Predicated on the evidence submitted, the airline industry has generally adopted a weight and size limit of 70 pounds and 62 linear inches for standard checked baggage.⁹ The 62-inch standard requires that the height-width-depth dimensions not exceed 62 inches. Airline passengers are subject to special charges for baggage that exceeds these size and weight limits.

The Division has considered the airlines’ size and weight baggage limits vis a` vis the meaning of “large item” in the proposed uniform rates and finds that while the 70-pound weight limit may be appropriate, the 62-inch size limit is not. The Division agrees that special effort is required to lift an item that weighs more than 70 pounds into the trunk of a typical taxicab. However, with respect to the dimensional size of baggage or any other item, the Division cannot liken the loading of a taxicab to the loading of a jet. When an item of passenger baggage enters and leaves an airline’s baggage handling system it must travel through myriad conveyor belts, carousels and specialized equipment.¹⁰ It therefore makes sense to restrict the overall dimensions of baggage that must traverse this mechanical handling system. Presumably, the airlines charge a special fee for oversized baggage due to the special handling necessary to shepherd such items through their baggage handling systems.

Conversely, baggage entering a taxicab takes a much different journey. It customarily involves a simple manual delivery from the curbside to the

⁸ In anticipation of this additional evidence, the Division marked the prospective documents as TAB Exhibit 7 (in absentia). The evidence was subsequently submitted by the TAB and physically marked by the Division several hours after the conclusion of the hearing.

⁹ TAB Exhibit 7.

¹⁰ Which now includes scanning equipment designed to detect weapons and explosives.

taxicab's trunk followed by a return manual delivery to the curbside. Accordingly, the Division finds that if an item fits into a closed trunk, and does not weight over 70 pounds, no special charge should attach.

The Division has also considered the suggestion by some members of the taxicab industry that an \$8.00 drop charge be approved rather than the \$2.00 drop charge being formally proposed. On this issue, the Division agrees with the Advocacy Section's position. Not only is there insufficient evidence on the record to support such a steep drop charge, such an extreme change in the current drop charge rate would require a rate design analysis to determine whether the charge would be reasonable for all customers. In short, without more evidence the Division is not in a position to give serious attention to such a request.

Accordingly, it is

(17235) ORDERED:

1. That the September 13, 2002 petition filing by the industry members of the Rhode Island Taxicab Advisory Board, seeking an increase in the uniform rates currently mandated by the Division for taxicab and limited public motor vehicle services in Rhode Island, is hereby granted, subject to the following clarification: that a \$5.00 charge for footlockers and/or other "large items" shall only apply in cases where the item weighs in excess of 70 pounds or will not fit in a taxicab's closed trunk.
2. The uniform rate approved herein may not be modified by those companies electing to adopt it, except that companies who elect

to adopt this new uniform rate may elect to adopt a lesser charge than \$.25 for each one-tenth (1/10) mile increment after the uniform drop charge.

3. It is not mandatory that all taxicab and limited public motor vehicle companies authorized to operate in Rhode Island adopt the newly approved uniform rate. Taxicab and limited public motor vehicle companies may continue to charge under their existing approved tariffs.
4. Any taxicab or limited public motor vehicle company electing to adopt the uniform rate approved herein must first, before charging the increased rates, satisfy the following requirements:
 - a. Submit a written notification to the Division indicating the company's desire to adopt the new uniform rate and whether the company will be charging the maximum allowed charge of \$.25 per each one-tenth (1/10) mile increment after the uniform drop charge or a lesser charge for each one-tenth (1/10) mile increment after the uniform drop charge.
 - b. Submit proof that your taxicab meters have been recalibrated and resealed by the Rhode Island Department of Labor and Training, Division of Weights and Measures.
 - c. Schedule and submit to a vehicle inspection by a Division Motor Carrier Compliance Inspector, at which time the Inspector will after verifying compliance (including updated rate information

posted on the outside of the vehicle), issue a new rate card memorandum.

Dated and Effective at Warwick, Rhode Island on November 27, 2002.

John Spirito, Jr., Esquire
Hearing Officer

APPROVED: _____
Thomas F. Ahern
Administrator