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TAXICAB METERS

GOVERNMENT

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HEARING BEFORE THE COMMITTEE ON THE DISTRICT OF COLUMBIA UNITED STATES SENATE NINETY-SECOND CONGRESS

SECOND SESSION

ON

S. 3091

TO AUTHORIZE THE PUBLIC SERVICE COMMISSION OF
THE DISTRICT OF COLUMBIA TO CONDUCT A STUDY WITH
RESPECT TO THE DESIRABILITY AND FEASIBILITY OF
REQUIRING THE INSTALLATION OF METERS IN TAXI-
CABS IN THE DISTRICT OF COLUMBIA

MARCH 7, 1972

For the use of the Committee on the District of Columbia



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TAXICAB METERS

TUESDAY, MARCH 7, 1972

U.S. SENATE,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The committee met at 11 a.m., pursuant to notice, in room 6226, New Senate Office Building, Senator Daniel K. Inouye presiding.

Present: Senator Inouye.

Also present: Robert Harris, staff director; William Milks, legislative assistant to Senator Inouye, and Clarence V. McKee, minority professional staff member.

Senator INOUE. Ladies and gentlemen, we gather this morning to consider Senate bill 3091, a bill authorizing the District of Columbia Public Service Commission to study the desirability and feasibility of requiring the installation of meters in taxicabs in the District of Columbia.

I wish to emphasize the meeting here today is not to determine whether the meter is desirable over the zone system but simply to hear the merits of whether or not your Public Service Commission should be authorized to conduct such a study. I don't think it is within the proper jurisdiction of this committee to make the ultimate decision of meters versus zone fares. I think it is deplorable to have the Congress of the United States determine as many matters that should be the sole concern of the citizens of the District of Columbia. Congress should not be making additional inroads. I am pleased that this matter has engendered much community interest.

The committee is now ready to receive testimony.

I now place in the record a copy of S. 3091.

(The bill follows:)

(1)

92ND CONGRESS
2ND SESSION

S. 3091

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1972

Mr. INOUE introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

To authorize the Public Service Commission of the District of Columbia to conduct a study with respect to the desirability and feasibility of requiring the installation of meters in taxicabs in the District of Columbia.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That (a) notwithstanding any other provision of law, the
- 4 Public Service Commission of the District of Columbia is
- 5 authorized and directed to conduct an investigation and a
- 6 study with a view to determining the desirability and feasi-
- 7 bility of requiring the installation of meters in taxicabs in the
- 8 District of Columbia.
- 9 (b) Within one year following the date of the enact-

1 ment of this Act, the Public Service Commission shall re-
2 port to the Congress the results of such investigation and
3 study, including its findings and recommendations.

4 SEC. 2. There is authorized to be appropriated such sum,
5 not to exceed \$10,000, as may be necessary to carry out the
6 provisions of this Act.

Senator INOUE. Our first witness this morning is Mr. Neely, the Acting Chairman of the District of Columbia Public Service Commission.

Mr. Neely, will you introduce yourself and the others on the panel please.

STATEMENT OF H. MASON NEELY, ACTING CHAIRMAN; ACCOMPANIED BY: DONALD E. CROTSLEY, EXECUTIVE SECRETARY; PAUL KAGEN, CHIEF ACCOUNTANT; NORMAN BELT, ENGINEER; AND BELDON WHITE, COUNSEL; PUBLIC SERVICE COMMISSION, DISTRICT OF COLUMBIA

Mr. NEELY. Yes, Mr. Chairman, I am Commissioner Neely, acting chairman of the Public Service Commission of the District of Columbia. I am here to testify in the absence of Chairman Waterman who is out of town.

Accompanying me today are: Donald E. Crotsley, executive secretary; Paul Kagen, chief accountant; Norman Belt, our engineer; and Beldon White, counsel; all members of the Public Service Commission.

On behalf of the Public Service Commission of the District of Columbia, I wish to express our appreciation in being allowed to testify on S. 3091, a bill to authorize the Public Service Commission of the District of Columbia to conduct a study with respect to the desirability and feasibility of requiring the installation of meters in taxicabs in the District of Columbia.

Although the Commission is at present engaged in three rate hearings concerning the gas, telephone, and electric companies in the District of Columbia, nevertheless, the Commission deems the purpose of S. 3091 to be of major importance in the community and therefore would welcome the opportunity to conduct the investigation envisioned therein. Whether a year would be sufficient within which to conduct the proposed investigation is frankly questionable because of the present heavy Commission overload. If it is at all possible, the Commission would prefer an overall time of 18 months within which to complete its investigation and make its report.

I note that section 2 authorizes that there be appropriated an amount not to exceed \$10,000 to carry out this investigation. I have been informed by the staff that the investigation, which formed the basis of our last taxicab rate order in formal case 536, required an expenditure in excess of \$11,000 for nonsalary items, a substantial amount of staff time, and the donation of approximately \$10,000 of computer time by the Metropolitan Washington Council of Governments. We envision that similar investigations will be required in order to fulfill the requirements of S. 3091. The conclusion, therefore, is inescapable that the overall amount allowed in section 2 of S. 3091 is insufficient. Our staff would estimate that, at a minimum, it would require \$25,000 to undertake this investigation.

Once again I wish to extend our thanks on behalf of the Commission for permitting us to be here to express our views on S. 3091. Thank you very much, Mr. Chairman.

Senator INOUE. Thank you, Mr. Neely. We have been advised by some in the city that this bill may not have been necessary and that the Commission at the present time, notwithstanding the rider in

the appropriation bill, has the authority to carry on hearings, studies, and investigations concerning desirability of meters. Would that be correct sir?

Mr. NEELY. That's correct, Mr. Chairman. That's correct insofar as the Public Service Commission of the District of Columbia has the responsibility for fixing the rates of taxicab services in the city.

Senator INOUE. If that is the case why have you not conducted studies relating to the desirability and feasibility of meters?

Mr. NEELY. There has been a prohibition, as I understand it, Mr. Chairman, on the Public Service Commission conducting any such investigation. This has been imposed, I believe, on the rider by Congress.

Senator INOUE. Then why did you say in response to my first question that you do have authority to do so?

Mr. NEELY. I thought you were referring to the setting of rates and not taxi meters.

Senator INOUE. I am talking about meters. I have a memorandum stating that P.S.C. has effectively been prohibited from conducting the study. Am I incorrect?

Mr. NEELY. No; we do not have that authority.

(The memorandum referred to as follows:)

MEMORANDUM—GOVERNMENT OF THE DISTRICT OF COLUMBIA

EXECUTIVE OFFICE, BUDGET AND PROGRAM ANALYSIS,

November 9, 1971.

To: Mr. William H. Jordan, Staff Assistant, Subcommittee on Appropriations for the District of Columbia, U.S. Senate.

From: Comer S. Coppie, Special Assistant to the Mayor-Commissioner.

Subject: Appropriations Language Prohibiting Taxicab Meters.

The Public Service Commission, as successor to the Public Utilities Commission, is authorized to fix rates for taxicabs. The Act of March 4, 1913 (37 Stat. 974) defines public utility to include "common carrier" and common carrier is defined as including "express companies and every corporation, company, association . . . and person . . . owning, operating, controlling or managing any agency or agencies for public use for the conveyance of persons or property within the District of Columbia for hire". Rate making authority is contained in Chapter 4 Title 43 (the Act of March 4, 1913, as amended). Under this statutory authority, the Public Service Commission does have the power to require the use of taximeters. There is no statutory prohibition on meters, however there is a prohibition in each annual appropriations act since 1933. The history of this provision is indicated below.

Subsequent to extensive public hearings on a broad range of issues relative to the taxicab industry, the Public Utilities Commission issued Order No. 956, dated November 6, 1931. Section 5(a) of the Order required that:

"On or before the 10th of January 1932, all taxicabs shall be equipped with taximeters and thereafter no vehicle shall be operated as a taxicab unless so equipped."

The Order also set uniform rates—25¢ a mile, for the first 2 miles; 5¢ for each additional ½ mile. The Order's effective date was then postponed 60 days pending a court decision on the authority of the Public Utilities Commission to issue this Order and challenging its "reasonableness."

During the House of Representatives hearings on the FY 1933 appropriations bill, members of the Committee on Appropriations expressed considerable opposition to the pending requirement for meters, as well as other matters covered in the Order and of controversy at the time. Acting as the Committee of the Whole, with 25 members present, the House included the first limitation against meters in the appropriations bill. That limitation read as follows:

"No part of the appropriations contained in this Act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation

of meters in taxicabs: Provided that this prohibition shall not be construed to affect any order or part of an order of said Public Utilities Commission other than with respect to the requirement of the installation of such meters."

Early in 1932, the Supreme Court of the District of Columbia in *City Cab Corporation v. Patrick, et al*, Equity No. 53, 736, PUR 1932 C 1, upheld the validity of Order 956. The Court also held the then existing zone system to be discriminatory and that it would not be possible to devise a non-discriminatory zone system in the District of Columbia. This decision was affirmed in *City Cab Corporation v. Patrick, et al*, (1932) 64 App. D.C. 174, 75 F 2d 1005. The Appellate Court, however, took notice of the Congressional prohibition as to meters and suspended so much of Order No. 956 as required the installation and operation of meters in taxicabs until such time as the Congress might legislate further on the subject.

As a result of the Congress, on the one hand, precluding the Commission from putting into effect its taximeter order, and the Courts, on the other hand, holding any zoning system that may be established by the Commission to be discriminatory and therefore illegal, the Commission could do nothing with regard to establishing taxicab rates. This impasse existed for about 3 years. During this time, various cab companies adopted varying zones and rates, and some operated on a meter system, producing a chaotic condition as far as the taxicab riding public was concerned.

Taking note of this situation, the House Committee on Appropriations changed the language of the limitation in the appropriations act. The language of the 1936 Act has been contained in every District of Columbia Appropriations Act since that time.

In 1956, the taxicab industry in the District of Columbia was thoroughly investigated by the Congress in eleven days of hearings before the House Subcommittee on Public Utilities, Insurance and Banking of the Committee on the District of Columbia. During these hearings, the system of uniform zones established by the Commission was considered along with several other issues. Proponents of the taximeter, primarily taxicab drivers, sought to convince the Subcommittee that the system of uniform zones should be replaced by taximeters; they were not successful. It might be noted that legislation did emerge from these hearings (H.R. 12409, 85th Congress, 2nd Session, Mr. Teague) which would have put into substantive law the prohibition of meters now contained in the appropriations act; this bill was not adopted.

This historical review clearly indicates that the only prohibition on meters is contained in appropriations language, not substantive law. The language has been administratively interpreted as an absolute prohibition against all aspects of meters, including discussion and study of their use. This interpretation is sound, based upon a reading of the congressional hearings and legislative history. In a literal sense, it seems that the key word prohibiting just studies is "preparation" of an order relating to meters. If this word were deleted from the language, and if the legislative history clearly indicated the intent to permit an evaluative study of the zone system versus meters for rate determination, this could well clear the way for a changed administrative interpretation and initiation of such a study.

Senator INOUE. I gather also that when you have hearings of this sort, many times the cost of these investigations and hearings may be borne by the petitioner, is that correct?

Mr. NEELY. That's correct.

Senator INOUE. Now, in the case of the taxicab meter study, whom do you think should bear the cost? I ask this because I note in your testimony you are requesting the sum of \$25,000 to undertake this investigation.

Mr. NEELY. It is my personal view, Mr. Chairman, that the Congress should provide this payment.

It is going to be very hard for the individual taxi drivers in the District of Columbia to bear this cost and I believe that if we could obtain a sufficient amount from Congress, this would alleviate that problem of the individual taxicab drivers having to pay this amount.

Senator INOUE. Then it is your view that the Government should bear all costs on this.

Mr. NEELY. That's correct.

Senator INOUE. This view does not apply to other utilities, does it?

Mr. NEELY. That's correct.

Senator INOUE. We set the sum of \$10,000 because we are advised by people close to your operation that this should be sufficient, but is it your view this is not sufficient?

Mr. NEELY. That's correct.

As I pointed out, Mr. Chairman, in the last formal case, No. 536, the Commission appropriated a very large amount of money, \$11,000, and in addition to that, there was \$10,000 of free computer time donated by the Metropolitan Washington Council of Governments. I don't know if we could get that at this particular time or not. This is why we have stated the \$25,000 amount.

For instance, in the last formal case, No. 536, the amount of \$5,500 was expended for the Research Management Corp. alone. So we envision a minimum of \$25,000 would be necessary in this particular case.

Senator INOUE. You have not come out forthrightly for or against this measure. What is your testimony to that effect? Are you for this bill or against this bill?

Mr. NEELY. We are for the bill. We are for the bill as it is outlined in S. 3091, to conduct a study as regards to the desirability and feasibility of installing meters here in the District of Columbia. The Commission would take upon itself to make this study.

Senator INOUE. Do your associates wish to testify?

Mr. NEELY. No, Mr. Chairman.

Senator INOUE. Do you wish to, if you feel it appropriate to advise this committee, express your views on whether we should have meters or the zone system?

Mr. NEELY. No, Mr. Chairman. If Congress does decide to appropriate the amount of money and to have the Public Service Commission conduct an investigation, we will have public hearings and we will allow the cabdrivers and the citizens of the District of Columbia to come in and study the facts. Then we will make a determination as to whether or not we will grant or have meters in the District of Columbia.

I thank you very much, sir.

Senator INOUE. Our next witness is Mr. William J. Wright, accompanied by Mr. Fred D. Matthews, of the Taxicab Industry Group. Gentlemen, welcome.

**STATEMENT OF WILLIAM J. WRIGHT, CHAIRMAN, ACCOMPANIED
BY FRED D. MATTHEWS, EXECUTIVE SECRETARY, THE TAXICAB
INDUSTRY GROUP**

Mr. WRIGHT. Mr. Chairman I would like to read the statement and we both will answer any questions.

Mr. MATTHEWS. Thank you, Mr. Chairman, for the opportunity to appear here and we hope to put forth the position of the taxicab industry as representing the opposition to the meter.

I would like to make a preliminary statement before I begin reading here. We are concerned about what we consider the necessary preliminary steps that are being conducted now to lead up to a point

where the meter could appear on the scene. That is why we are taking the position we are taking in our petition.

Senator INOUE. You certainly realize this committee will not decide whether you will have meters.

Mr. MATTHEWS. Right, sir.

Senator INOUE. This bill is just to authorize the Commission to conduct the study.

Mr. MATTHEWS. Yes.

Senator INOUE. This bill is simply to authorize a study. You are opposed to a mere study?

Mr. MATTHEWS. Yes; because we feel it is a preliminary step that will lead inevitably to the meter. That is why we are taking this position.

Senator INOUE. Are you suggesting that the Commission will not be objective and fair to you?

Mr. MATTHEWS. Not that at all.

Senator INOUE. Are you afraid that your views will not be heard?

Mr. MATTHEWS. I am afraid of this, Mr. Chairman, that having been a student of how we do things, everything seems to be drifting toward the bigness and away from the little independent businessman. I feel our best interests would be served by maintaining the status quo. That is the background of our thing.

Mr. WRIGHT. We are opposed to the meter study because we feel it would not enhance our position at all. We oppose the meter study because it would not serve us at all.

Senator INOUE. Do you represent the taxi companies or the drivers?

Mr. WRIGHT. The drivers are part of the companies. We have had studies within the companies and this is the view of the drivers as well as the management. As far as we understand, the management also represents the drivers and their views. We have had studies in which the question was put to the drivers and they have answered themselves that they do not want the meters.

Senator INOUE. Today we have over 10,000 men and women who have been certified as chauffeurs and who work as cabdrivers.

Mr. WRIGHT. Yes.

Senator INOUE. We have over 9,000 vehicles certified to serve as cabs. Why is it my office is constantly receiving calls and letters complaining about the lack of taxicabs during the rush hours?

Mr. WRIGHT. Well, in the last rate survey we took a position that straight fares be allowed during the rush hours and this would change that picture.

Senator INOUE. Straight fares—what do you mean by that particular term?

Mr. WRIGHT. That is when more than one person is riding in the cab and they are getting out at different destinations. In other words, more than one person gets in the cab and are getting out at different destinations. They would pay straight fare as opposed to group rates.

Senator INOUE. Don't you think the cabdriver would receive better compensation if you had a meter at that time?

Mr. WRIGHT. The meter would drive the fares away.

The Star did an article on February 13 concerning the number of passengers D.C. Transit has lost every time the fare increased. We feel this would happen to the taxi riders in Washington the same as it

happened in New York and other places. I am sure you are familiar with the stories in New York in recent weeks where there are taxis parked rather than operating simply because they priced themselves out of business with the meter. The public is going to other taxi service that doesn't have to conform to meter rates and it is for that reason we feel the same thing would most certainly happen here that has happened there.

Senator INOUE. Does the meter rate have to be that high to drive away customers?

Mr. WRIGHT. It seems to get that way; whether it has to be or not, it seems to be that way.

Senator INOUE. What do you think causes this phenomenon?

Mr. WRIGHT. Because some people have control and the people with control want to make the money. It won't be left up to the individual drivers driving the cab. It would be left up to someone else.

Mr. MATTHEWS. May I add this little bit, Mr. Chairman?

Senator INOUE. Please do.

Mr. MATTHEWS. The control, of which he speaks, is this type of thing: As it stands now these people operating are uncles, fathers, brothers, sisters, and mothers of the community interwoven right in the midst of us. There is a responsive attitude on these men and women operating as either individual or community business. They are out there trying. But I would like to add this: that in spite of the effort there are problems with them as there are with cleaning establishments, shoestores, or any other business in the community where the demand is so great until it is just hard to get around everybody.

Now, I take the position that the influx of the passengers that are thrown out of the ride elected to do it. The Public Transportation System bears a greater burden on us in the afternoon. The traffic jam situation downtown helps make it almost impossible to move a few passengers around. All those things have something to do with it. It is more than just to say the meter will correct those things.

There are factors of that sort that bear upon it. Ten or 15 years ago you could move quickly through 50 blocks. You can't do more than 10 blocks in that same span of time.

Senator INOUE. You are Mr. Matthews.

Mr. MATTHEWS. Yes.

Senator INOUE. Are you also a driver?

Mr. MATTHEWS. Yes.

Senator INOUE. Are you a full-time driver?

Mr. MATTHEWS. No; I am not a full-time driver but I have driven for years.

Senator INOUE. Mr. Wright, are you a full-time driver?

Mr. WRIGHT. No; I am not.

Senator INOUE. What is one of your driver's income per month, sir?

Mr. WRIGHT. Do you mean my overall income?

Senator INOUE. From driving? What is the average income of one of your membership per month?

Mr. WRIGHT. I could not tell you that because they are individual records kept by individual drivers.

Senator INOUE. Do you have any witness here who is a member of the organization who is a full-time driver?

Mr. WRIGHT. Maybe; I don't know. We didn't bring any down here for that purpose. There may be some here that wish to volunteer in the audience.

Senator INOUE. What do you think your full-time drivers make?

Mr. WRIGHT. I would say this, sir, drivers are paying as much as \$70 a week renting cabs, and they have to buy gas, so they must have a fair income.

Senator INOUE. I am surprised. You are the chairman of this group and you are not aware of the income of your group's drivers.

Mr. WRIGHT. Sir, the individual drivers own the cars. This is what we are talking about now. Individual members own their own businesses. They don't report to us their income.

Senator INOUE. But don't you people discuss how much you make and how much more you would like to make?

Mr. WRIGHT. I believe it is \$4.20 per hour. The PSC conducted their own study and they had manifests of various drivers. I would have to rely on their figures in that respect, sir.

Senator INOUE. Does the average driver make \$4.20 per hour?

Mr. WRIGHT. This is what the PSC study revealed as of, I think, September. They sent out a communication on that. They did an official study. They subpoenaed manifests then, and they looked at them so I would have to go along with what it showed at that time.

Senator INOUE. It has been suggested to members of this community that under the zone system there is a temptation for the driver to cheat. I have had people call me suggesting that a cabdriver charged for four zones when actually they traveled two zones. I am certain you will agree with me that, other than cabdrivers themselves, there are very few people in the District of Columbia—especially those who visit in the District of Columbia—who are well acquainted with the zone system.

Mr. WRIGHT. That may be true of the visitor but it wouldn't be true with the citizens who live here because the zone system is very easy.

The zone system is set up on major streets in the city. It is very easy to understand. If you lived in a neighborhood you wouldn't have to live there more than a couple of weeks and you would know the zone to where you work or travel frequently.

Also a telephone call to the Hack Office or any cab company could verify the zone within a matter of minutes. It could not be done by a meter because all the things we have talked about come into play such as traffic and all these things.

Senator INOUE. The second example of alleged cheating suggested was that the local cabdriver does not report his income accurately.

This means that the District of Columbia Tax Office and Internal Revenue Service is being denied tax moneys.

Mr. MATTHEWS. In the outset your statement was that the cabdriver would cheat.

Senator INOUE. I didn't say "would cheat."

Mr. MATTHEWS. I don't know. I am sorry. The zone system afforded an opportunity to do that. Am I pretty well right in that statement? But let me say this: I want to point up that if it is the temptation lies there, whether he is a minister or a gambler, the temptation to cheat might well lie there. I am not saying it does. So particularly I am not wanting to cheat to the zone system because I have ridden in metered

cabs and they have done all of these things that we are questioned about.

Senator INOUE. Is it easier to cheat with the meter or is it easier to cheat with the zone?

Mr. MATTHEWS. Just as easy.

Senator INOUE. How do you cheat with the meter?

Mr. MATTHEWS. Simply pull around more blocks than are necessary.

Senator INOUE. At least the tax office will know how much you make.

Mr. MATTHEWS. Coming to the tax part of it: I believe America was built on a sincere, honest citizenry and I believe it still is. I don't go along with all the boxing in of the citizens of the United States to get things done. They have done this thing and they built America on honesty. The cabdriver isn't that big a rascal.

You would be surprised what a small fraction of the cabdrivers would evade their obligations. They pay out their money to various accountants to get this thing straight and pay those taxes. The far greater majority do that. There is a very small number among the ministers, doctors, lawyers, and politicians that would do that.

Senator INOUE. We have been trying to suggest to the Internal Revenue Service that basically Americans are honest and every year they come before us to hire more men to investigate.

Mr. MATTHEWS. Not just the cabdrivers.

Senator INOUE. To investigate honest Americans.

Mr. MATTHEWS. That's right.

Mr. WRIGHT. Senator, I would like to suggest one of the things zone cabs do, or that cab companies that operate radio fleets provide as a service to the community that apparently this community is not aware of. We have sick people in the city, crippled children, blind people, and we haul all these people. We haul them on a contract basis and they are able to come and go to a hospital. For instance, you go up to the Washington Hospital Center at night or sometimes there is someone sick and the hospital pays their transportation back home. They call a cab. I have slips here to show you an example of what you have. The hospital knows because it is a zoned rate.

This person wants to go to such and such an address. What is the fare and the driver tells you. The hospital official will sign the document and give it to the cabdriver and he will go back to the office and collect this fare and the company in turn will bill the hospital at the end of the month.

This is a service we render that you could not get in a meter cab. You don't know if he will be in a traffic jam or what. The drivers themselves are not complaining about this particular situation—the zone system—not in any large degree.

Senator INOUE. I am certain the Public Service Commission will take that into consideration.

I think your compassion is commendable. I am certain a contract can be entered into between you and the hospital, notwithstanding the meter, to charge this patient X number of dollars. Can't you do that?

Mr. WRIGHT. Not on the meter because you have to charge what the meter says, sir.

Senator INOUE. Not if you have special authority from the Public Service Commission.

Mr. WRIGHT. Well, then you wouldn't have a meter system. Then you would have something else. I don't know what it would be, but it wouldn't be the meter system.

Senator INOUE. That is what I am trying to suggest. Why not let the Commission decide what you will have?

Mr. WRIGHT. We are opposed to the meters and that is why.

Senator INOUE. You are assuming that the Public Service Commission will recommend the meter system.

Mr. WRIGHT. That is possible.

Mr. MATTHEWS. May I say this, sir. What we are doing is drawing on what any man who must gain must draw upon in any city. Look at any city, anywhere you want, and once they start tangling with that meter it ain't but a few days before the big interests have it all sewn up. They got what they want and then they begin to tell the controlling heads of the government what they are going to do, or not going to do, with the services after that. It is all well and good until you get it. When the man who wants the control gets it, that is a sad day for the community, and the people that let them have it.

I often think of the public, that lives in any metropolitan area, as a commodity. I view it as a can of peaches. When the man cans the peaches he says you can have this for a price. So actually when you let go to various interests all of what the composite of us are in the community for a price. When that man gets that, he says: "It is mine and I will do what I want and I will tell you when you can get a cab and when you can't, how many you can use, and whether you will give this or that price."

Now we have open fleet competition and competition is what built America. These men are out here because they have to keep the prices. Joe can move it if Tom won't move it.

Senator INOUE. Are you suggesting if you had the meters you will sell your companies to a big company?

Mr. MATTHEWS. I am suggesting the big company will get me whether I want to let it go or not. I won't have any help for myself.

Senator INOUE. How do you come to that conclusion?

Mr. MATTHEWS. It happened in other cities. It is going to happen that way.

The most recent article is one in Miami. They said what a sad day it was and they referred to Washington. They thought they were going to get something and it all turned out different from what they thought. You can't beat that.

Senator INOUE. You have a monopoly at the present time, don't you?

Mr. MATTHEWS. No, sir.

Senator INOUE. You represent 43 of the 65 companies. I believe that is what you said.

Mr. MATTHEWS. That is a federation thing. It is all on a volunteer basis.

Senator INOUE. How many drivers do you represent, sir?

Mr. WRIGHT. About 80 percent of the total number of drivers.

Senator INOUE. You represent approximately 8,000 drivers then?

Mr. MATTHEWS. Better than 80 percent.

Let me say how it is done. That comes about through the majority vote as democracy works. The majority are in favor of certain things. We move on that basis as you would in your status. You would move on the basis of what the majority said that is why we use the term 80 percent because that is the majority position.

Senator INOUE. How many drivers do you represent?

Mr. MATTHEWS. Roughly better than 80 percent of the drivers in the city.

Senator INOUE. 8,000?

Mr. MATTHEWS. Roughly that; yes.

Senator INOUE. And your organization is against this bill?

Mr. MATTHEWS. We definitely are against any installation of meters in the District cabs. We are opposed to that.

Senator INOUE. Just for the record—in order to have some clarification—Do you represent the company that employs the cabdrivers or do you represent the cabdrivers?

Mr. WRIGHT. The cabdrivers are not employed by us. They are independent businessmen who are a part of these associations and companies. We have these petitions on any issue of importance. We circulate these petitions the same as you have the signatures on there.

Senator INOUE. You claim to represent 43 companies. Is the 80-percent figure you mention 80-percent of 43 companies or 80 percent of 8,000 drivers?

Mr. WRIGHT. On this petition we have 49, I think, companies who signed. But these are officials of the various companies who represent these men in their organization. They have got the feeling from their members of how to vote on this particular issue and therefore they were able to sign this petition.

We circulated all this material throughout the companies for the drivers to read and make a determination as to how they felt about this issue. These companies, or whatever the title assigned under the names there, represent the feelings of those men and those particular organizations.

Senator INOUE. Is it your feeling the Public Service Commission will disregard the feelings of 8,000 or 80 percent of the drivers of this city?

Mr. MATTHEWS. Let me say we petitioned the Public Service Commission. We can talk to them. We did petition them for an adjustment to improve the service downtown. Our position was to redefine "group riding" so you overlook the ditchdigger or steamshovel worker. Let's say if it is a traffic jam situation downtown or bad weather giving the drivers a straight fare by redefining the group riding to mean exactly like he says three people get in at this point and get out at that next point that is how group riding would be defined. But if they got in at different places—let them pay straight fare. That would help the driver more. Then we could drive downtown during rush hour. In that sense they can't see it our way and we don't know whether they will see it our way the next time or not. But we plan a repetition on that same basis to see what they think of that.

Because of their reluctance in seeing what we feel in that sense, that would enhance the ability to get a cab downtown, we question whether he would see our view on that. We had 100 percent of the people supporting us at that time.

Senator INOUE. Can you explain to me why this city has a situation whereby over 80 percent of the drivers are part-time drivers? It has been estimated as high as 95 percent of the cabdrivers are part-time drivers.

Mr. MATTHEWS. That is a bad estimate—95 percent.

Senator INOUE. What is a good estimate, sir?

Mr. MATTHEWS. About 60-40.

Senator INOUE. Let's assume you are correct, why do we have such a large number of part-time drivers?

Mr. MATTHEWS. Let me say this. It is healthy and good in our estimation, for this reason: I don't see anything wrong with a man earning extra livelihood during the rush hours of the day or any other hour of the day if he has a means of doing that. It is a case where a man has a little money he can afford to invest and a little time he can use in making it and he goes out and tries to earn a little something to supplement his meager salary in the community and he does a good job. He gets out and services the community in that sense.

About 68 to 72 percent of the cab operators are black and they have a problem in terms of healthy and qualified or adequate salaries. It is good for them to get out and do well by their families. They have found that cabs serve that purpose and they have the opportunity to serve the community also. It is a beautiful thing to me. I have no desire to knock that out of here. It helps in both ways. It helps the man who must have money to provide an education for his family, medical care for his family, and build a home for himself and family when he knows full well the prospects of promotion are not there. So he goes out to supplement that. He has found one of the very simple ways of doing it where he doesn't have to beg for another job to go out and get involved in what we call independent identity renewal.

Take the little money you can put together and invest in the equipment and go out and serve the public with it.

May I say something about that equipment, Senator? This community is blessed in a lot of ways. It has a very well-kept fleet of cars to say they are independently owned. The pride of a man in himself and his equipment puts at the disposal of our riding public pretty fair equipment and it rates well with the rest of the city. I like that about the part-time man who goes with us part time and does a full-time job for the city.

Senator INOUE. Would you pick me up at the steps of this building at 5 o'clock this afternoon to drive me to the White House for 60 cents?

Mr. MATTHEWS. I would be happy to do it. I will sweep the streets. [Laughter.] I am serious. I am known as a streetsweeper. There are a whole lot of cabdrivers that are streetsweepers.

Senator INOUE. There does not seem to be too many like you when I stand on those very steps.

Mr. MATTHEWS. Yes; there are.

Senator INOUE. You think cabdrivers should pick up a fare at the foot of this building at 5 or 5:30 this afternoon, knowing full well that it is going to take him 25 minutes to get to the White House and get 60 cents for that?

Mr. MATTHEWS. Let me preface what I am going to say about that with this: I am the author—when I say "I", I happened to bring the initial idea to this taxi group. We sought an adjustment on that,

Senator, through cutting this inner circle into quadrants. We used Eighth Street and 12th Street. There again the Public Service Commission couldn't see eye to eye with us on granting us a subzone rating for the lower quadrant here and where we move over in the western part.

What we are going to do for you? We will let you have four quadrants in a circle but we are going to cut the fare back. We are not going to give you that much downtown area. We said, "What is wrong, if the outer circle, all the concentric circles around the city being cut, what is wrong with cutting it in four quadrants?" We benefit by one zone raise in fare.

Well, they can't see it that way. They said "No." We have been there twice on that and they are still refusing us that.

Senator INOUE. What you are telling me, in other words, it is not quite right for you to get paid just 60 cents to drive for 25 minutes.

Mr. MATTHEWS. I am going to come to that. To show we have had some thinking about it, but now that the rule is what it is, we play the game by the rules. So I take you on a 60 cent or 70-cent ride because there will be other trips. Maybe the next time I take you you may want to go out to the airport—which would be a good balancing out.

If you take me out to the airport one day and the White House the next and then the airport the next, I feel my services are paid. It will balance out. This is what the PSC is telling us they found and this is what we are saying to you.

Senator INOUE. I am glad you are so civic minded that you want to carry me for 60 cents to the White House.

Mr. MATTHEWS. We prefer an increase in that, certainly. As I say we would prefer seeing it done like we would like to have two zones there from this area into the next area into 12th Street, but I wouldn't hesitate to pick you up because that is the rule.

Mr. WRIGHT. Senator, may I read a letter we received this morning in the mail?

Senator INOUE. Please do.

Mr. WRIGHT. This is written on the District of Columbia government stationery, Washington, D.C.: March 6. We sent a communication out over the weekend and this is the first response we have received back in the mail.

This is addressed to William J. Wright and F. D. Matthews.

Gentlemen: Thank you very much for the interested and informed position against imposing installation of meters in taxies in the District of Columbia. I support your position 100 percent. I have always felt we have the finest taxi service available in any major city and I support the concept that we have a high degree of independent ownership rather than fleets which are found in so many other jurisdictions. Possibly the only change we might make is to have an increase in rates during rush hour to give more of an incentive to the drivers to be on the street. Hoping you will be successful in maintaining the congressional rider opposing the installation of meters. With our best wishes,

Very truly yours,

HENRY K. WILLARD II,
City Council.

Senator INOUE. So a member of the city council is opposed to this measure.

Mr. WRIGHT. Yes.

Senator INOUE. It would have been much better if he testified and so advised this committee but I am very happy to receive his words through you.

Mr. WRIGHT. We hope to have other communications with him before long.

Senator INOUE. Any other statement you would like to make?

Mr. MATTHEWS. We would like our full argument and the statements we have prepared. In that sense we have nothing further.

Senator INOUE. I thank you very much for your assistance this morning and you can be certain your statement will be considered by this committee.

The prepared material will be made part of the record.

Mr. MATTHEWS: Thank you.

(The material follows:)

THE TAXICAB INDUSTRY GROUP,
Washington, D.C., February 15, 1972.

HON. DANIEL K. INOUE,
District of Columbia Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR INOUE: The Taxicab Industry Group, representing 43 of the 65 companies and associations in the District—a vast majority of the taxicab drivers—oppose the installation of meters in our taxicabs and, therefore, solicit your support in our opposition.

Attached hereto is a complete petition in support of our objections. Please read and support us in our efforts to maintain our independent cab businesses as well as the zone system. The economic situation of the citizens of Washington is not such that it can stand the cab fare increases that would be brought about by the installation of meters.

Whenever a statement is publicized, there is always the reference that Washington is the only major city without meters. This may be true. But, the New York Times Newspaper of April 6, 1969, reported that there was such a shortage of drivers in Philadelphia that one company was offering \$50 worth of free rides to anyone recommending a full time driver and \$20 for a part-time driver. The New York Daily News of January 28, 1972, reported that the Taxi Commission office is scheduling evening hours for hearings because of the overwhelming number of complaints against drivers.

Our independent cab business in Washington is a source of pride to the cab driver-owners. The Miami, Florida, Herald newspaper reported on December 27, 1970, "... The City with the taxicab system most unlike Dade County's (Fla.) is Washington, D.C., said by many travelers to be the city with the best cab service in the nation. Cab fares are cheap and cabs are plentiful."

We thank you for your cooperation and depend upon your support to help us maintain the independent cab service free of Government subsidy.

Respectfully requested,

WILLIAM J. WRIGHT,
F. D. MATTHEWS.

Attachment.

THE TAXICAB INDUSTRY GROUP

JANUARY 1972.

PETITION IN OPPOSITION TO THE INSTALLATION OF METERS IN TAXICABS IN THE
DISTRICT OF COLUMBIA

The taxicab industry here in the District of Columbia is composed of, for the most part, independent businessmen who operate their taxis under the colors and insignias of a company or association. The Taxicab Industry Group is an organization which represents approximately 43 of the 62 companies and associations operating in the District.

At its regular monthly meeting on December 29, 1971, The Taxicab Industry Group resolved that the Congress be petitioned to continue the rider, pertaining to the installation of meters in the Taxicabs, as a part of the District of Columbia's

Appropriations Bill for the protection of the free enterprise system of independent taxicab service that has served the riding public of the District so well.

We, the undersigned, go on record as unalterably opposed to the installation of meters in the taxicabs of the District of Columbia as well as to a limitation on the number of taxicabs in the District.

In other major cities of the United States, meters have either followed or preceded a limitation on the number of cabs. Limitations on cabs will force the independent cab driver out of business. The taxi business is unique here in that approximately 90% of the cabs are owner-operated. Therefore, the passengers get a better and safer ride because of the driver's personal investment and interest in his own taxicab. This is not true in other large cities where meters are required and the operation of the taxi system is controlled by fleets. Because he is an independent businessman, as we have previously stated many times, the owner-operator has better equipment and exercises greater care than a driver who is not an owner. It is the independent cab drivers in Washington, D.C., who have given the city the best taxi service of any city in the United States. This is a recognized fact, testified to by the many visitors who ride our cabs as well as the many Senators and Congressmen who travel worldwide and know first hand about good service.

Meters will drive thousands of passengers from our cabs. Meters will bring higher fares. If we must judge from what other cities do, or have done, we will have poor service here in the District. Those who ride our cabs now, know the cost of a trip before telephoning or hailing a cab, despite what is being said by the minority in favor of meters. However, with a metered cab, there can be no predetermined fare. The condition of the streets, the flow of traffic, the weather, and the driver himself, all play major roles in determining the ultimate cost. The poor of Washington will no longer be financially able to afford the convenience of taxicabs at their disposal.

We have a superior service to any other major city where meter systems are used. Our service is prompt and efficient. We have excellent, well-kept vehicles that are a source of pride to the industry, the community and to the owner. We have a very effective telephone call system and many cabs constantly cruise the streets giving prompt service to those persons hailing cabs from the curbs. This service is not available in many cities as cabs do not cruise the streets for fares.

In addition to the full-time driver, we have many part-time drivers who have been able to send their children to college, bought homes, have been able to keep their families off welfare rolls, and generally improved their standards of living, with their extra earnings as hackers. Meters and limitations would do away with all this because the part-time driver represents such a large portion of the total cab industry—thus, another problem will arise—where will these part-time drivers go to seek additional income or financial assistance?

The fact that the industry can represent to you that the cab industry does not want meters and limitations is backed by the results of a survey taken of District of Columbia cab drivers by the Taxicab Industry Group during the last weekend of March 1969 and the first weekend in April 1969, which revealed that:

1. 2580 drivers answered the question—

Do you favor meters and limitation on the number of taxicabs in the District of Columbia?

2073 or 80% were opposed to meters and limitation. 507 or 20% were in favor of meters and limitation.

2. 2564 drivers answered the question—

Do you favor eliminating part-time drivers from the cab industry?

2438 or 95% were opposed to eliminating part-time drivers. 126 or 5% were in favor of eliminating part-time drivers.

We feel the answers received in that survey point out the fact that the independent taxi drivers have the interest of the public at heart and therefore oppose the installation of meters and eliminating part-time drivers from the industry.

We believe that after hearing all the facts, the Congress will not be inclined to remove the meter ban from the appropriation's bill. This ban has served as a guarantee that taxi service in the District of Columbia would be left to the independent businessman. This ban has also served to keep big business monopolies from taking over the taxi industry thereby killing off hundreds of independent owner-drivers. Currently, the ratio of cabs to riders in the District is about 75 to 1—in Baltimore and New York where meters are used, the ratio is about 800 to 1. So, you see if meters are brought to the District, instead of 1 cab for every 75 riders, there could be a decrease of close to 90% of our cabs. Where would these men find jobs? Where would the money be found to support these families?

The idea or belief that meters and limitations are a cure-all for the problems of the taxi service—and the fact that the New York City and Philadelphia systems have been held up as models—has been dramatically dispelled by the contents of the article in the New York Times of April 6, 1969, (page 54 of Section L). Among other things, this article showed that as a direct result of meters and limitations in New York City, a "Gypsy" service developed. That service is part of the Livery Service there and should be for "on call" only. But, they are apparently there when the riders need a taxi, as the metered cab drivers refuse to go into certain areas—on April 4, 1970, the New York Times carried a story in which cab drivers openly admitted they avoided black fares and going into black neighborhoods. Again, the gypsy or bootleg cab came into the act to service this segment of the community. Yet, New York City is cited as the standard for the operation of cabs with meters and limitations. The New York Times article suggests that meters and limitations, instead of solving the problems in New York City have multiplied them.

Another article in the New York Times on April 16, 1970, revealed that taxi fares went up an average of 49% on March 2, 1970, but drivers for the fleet owners complained that they received less in take-home pay due to the fall-off in ridership and a decline in tips. The article also stated that there was a heated dispute and an interrupted union meeting because of this increase and less take-home pay. We don't need meters to invite monopolistic ownership of cabs in the District of Columbia.

Prior to the last rate increase—March 1970—anyone who had visited New York City regularly could attest to the fact that over a long period of time, it has become increasingly more difficult to hail a cab in New York City. Yet, those who say meters are the solution for the District of Columbia taxi problems use the New York City system as the ideal system. How can they? The meter system invites the monopoly—once you get a monopoly, the price of the license will become so expensive that the average working person cannot purchase one. In New York City, the going price for a medallion is \$25,000. The District of Columbia's system of individual ownership is by far the best.

About 4% of the cabs in the District of Columbia operate as strictly independent, governed only by the rules and regulations for taxicabs of the District of Columbia. There are about 90% who are independent owners who operate under the insignia and colors of a company or association and thereby receive many more benefits than the strictly independent driver. We do have some fleet owners.

The Washington Post Newspaper of November 13, 1971, made an issue of the fact that the drivers in the District have fallen off because they are unhappy about the business situation. That two years ago, there were 11,000 drivers and this year a drop to 9,000. Once again, the New York Times of April 13, 1971, featured almost a full page in connection with the taxi problems, and the main issue was about not being able to get enough drivers.

The April 6, 1969, New York Times reported that the Yellow Cab Company of Philadelphia was offering \$50 in free rides to anyone who recommended a driver who was hired full time; and \$20 worth of free rides for a part-time driver. Thus, the article revealed that there was a lack of drivers even with meters in Philadelphia as well as in New York City. This New York Times article proves the Washington Post is wrong again.

Our problem in the District of Columbia is not the lack of drivers, but that drivers are fearful for their lives and for this reason, many are retiring from the hacking business. Here in the District of Columbia, stores and shops are now locking their doors, either closing up or moving to the suburbs because of the crime situation. Our drivers are not using the fact they pass up potential passengers as a crutch or alibi, they are actually afraid to pick up questionable looking people. After all, one must protect one's life which is at stake in so many instances of robbery. The large office buildings, apartment houses, government buildings are all locking their doors and providing greater security for the protection of those inside. The taxi driver cannot separate himself from his riding public, he doesn't know who is entering his cab. Thus, the use of the radio calls are relied upon very heavily by the drivers who feel it is safer to answer a radio call than to pick-up a fare from the curb. However, this heavy reliance upon the answering of radio calls has caused a flurry of complaints by persons attempting to hail a cab that apparently refuses to stop. When a driver has a call, by radio or previous engagement, his first duty is to honor his commitments. All cab companies operating radio cabs require drivers to respond to an assigned call.

A survey of six radio companies and associations reflected an average number of dispatched calls per day for January, February and March 1969, to have been 7,803. This, in itself, would necessitate many persons on the streets being

passed up—one single cab could pass up as many as five or six people while he is on his way to answer a single call. Multiply those 7,803 calls by five or six—see how many complaints could be generated? While we do acknowledge that all drivers who use “on call” signs are not bona fide radio call answerers, we believe that they constitute a very small number compared with the total number of drivers legitimately using the “on call” sign to answer radio calls, etc. It is unfortunate that a large number of the riding public does not know what is happening.

To counteract the possibility that some drivers may be passing up fares for no apparent reason, we are supporting stricter punishment for the guilty drivers who travel without properly displayed signs as to what business they are about, and for repeaters of this infraction of the rules and regulations governing the hacking industry. The Hackers’ Review Board will be speeding up hearing activities for the year 1972. This will improve the service to the public as the drivers who violate the regulations will be called in for a hearing much sooner than they have been in the past. This will be a part of our concerted efforts to improve taxi service to the public along with the request that straight fares be charged beginning with the evening rush hour—4:00—through the morning rush hour—9:00—for all group riding. We also propose to ask that more uniformed hack inspectors be hired and placed on the streets to assure the riding public that the rules and regulations of the Hack Inspector’s Office are obeyed.

At one time, there were 15 specially trained uniformed hack inspectors to police the drivers in the street. That total is now down to only three. Of course, three inspectors cannot police 10,000 hackers on the streets of Washington. Drivers know that their day-to-day activities are not being observed. Therefore, a small percentage—about 5%—of the drivers are creating problems and a bad image for the total industry. There are about 95% of the drivers who obey the law in respect to picking up fares and otherwise doing their duties.

Even the Police Department supervises its officers—yet there are a few policemen who bring dishonor to the Department but this does not mean that all policemen are bad. Therefore, it is necessary that the taxicab industry be policed in order that the bad image these few have given the whole industry may be cleared up.

In the matter of increased income, the District of Columbia cab drivers can take their request for increased fares to the Public Service Commission and be heard. This has been done in the past and will be done again in 1972. At our last rate increase hearing, we asked the Public Service Commission to grant the cab industry permission to charge straight fares for group riding during rush hours. This alone would increase the hacker’s income and would help solve the question of being underpaid for long trips—those that go into the 4th and 5th zones. Meters are not the only solution to the long trips complaints.

Mr. John Rudder, president of the United Brotherhood of the District of Columbia Taxi Drivers, is not a spokesman for any large group of taxi drivers—as there are about ten drivers in his organization. His statement—“The drivers say they can’t make money under the current zone system during the heavy traffic or rush hours, and so many don’t operate at those times”—just shows what Mr. Rudder thinks about the fact that heavy traffic will cause the meters to register additional cab fares.

People who are pushing for meters are also for limitations and, of course, Mr. Rudder’s Brotherhood is for meters, and not interested in people working for themselves.

The Taxicab Industry Group feels there should be a variance in rates for the longer hauls and will petition the Public Service Commission for an adjustment in the rates in zones 4 and 5 and a realignment of the current zones. We are in accord that the zones and a set rate is a fair and equitable way to determine the cost of a taxi trip. The zone map can prove to any rider—no matter who—that his fare is correct. How can you dispute what the meter registers? How does one dispute the fact that the driver used one route when, in fact, he could or should have used another. One now has redress with the Hack Office, if the driver overcharges—and this fact can be easily ascertained from the zone map which is on display in every cab at all times.

On January 6, 1969, during a hearing before the Public Service Commission, the Federation of Citizens Associations went on record as opposing the installation of meters in the taxicabs of the District of Columbia. I quote from their prepared statement—“We do not favor a meter system. Besides its cost, it offers an opportunity for padding the bill. We recall the classic story of where a passenger wanted to go to the railroad station, which actually was right across the street. The driver dutifully went around a few blocks and then deposited the passenger at the station entrance.”

We don't need meters! We don't want meters and limitations! We need only to continue to strive to give the prompt, efficient and courteous service that is desired by the riding public.

The rider on the District of Columbia Appropriation's Bill has been a sure way of maintaining our free enterprise system and not have some individual or several individuals rush through an order requiring meters in all cabs—regardless of the majority sentiment (cab drivers and the riding public). Just as Mr. John Rudder, who represents the Brotherhood of approximately ten members, has tried to testify that the majority wanted meters.

We hesitate to say that the independent cab system eliminates racial discrimination as far as limiting the number of black permit holders. But, when we pick up the papers and read articles such as the one in the Baltimore Afro-American of August 8, 1970, which revealed that a group of 80 black cab drivers had petitioned the Public Service Commission to determine whether Baltimore will get 100 new cabs on the streets to fill an ever increasing need to service the working innercity residents. To date, that request has not been answered. In Baltimore, black people still cannot get cabs because of the monopoly system. In Baltimore, there are only 80 black rental cab drivers out of 1151 franchises, only three black owners.

The Baltimore situation is answered thus: granting the franchise is dependent upon whether the three-man Commission will find there is a need to service the working inner-city residents' and that present cab service is sufficient. Then the president of the Teamsters Union immediately retaliated by writing—"Our union . . . is very, very disturbed that such a matter should come up for consideration by the Commission. We feel that you know that the city does not need additional permits and that because of severe shortage of drivers that exists at this time, that the issuance of permits to anyone else would merely be trading drivers who are already driving for licensed companies." Another biased statement in that report—"it is up to the Commission to decide when a hearing will be held." The Congress, we feel, is too large and too representative to be as biased as a small two or three member commission which must bow to monopolies. Here again, the black inner-city resident is deprived of taxi service because some drivers refuse to pick them up, and the Commission refuses to issue a franchise to a black group so that this situation can be alleviated. There are meters and limitations in Baltimore—and this petition was filed in August 1970, and, to date, no action.

Meters, limitations, higher fares, less riders, fewer cabs, the District Government would stand to lose—less income, less income tax, less spending money and greater welfare rolls, food stamp users, more people seeking medicaid for lack of funds with which to provide medical care for their families.

The D.C. Transit System is a monopoly, the government is losing tax money and the service to the public is not good. However, the owners of D.C. Transit are saying "We need more money"—so, the people must pay higher fares. If the District had a competitive bus system, service would be better. In contrast to this, our independent taxi drivers are providing a necessary function. We can't afford another monopoly in the nation's capitol.

We urge that the independent status of the taxi industry be maintained and that any proposal to install meters be abandoned. We have a healthy taxi system here in the District, help us to retain that system. The small independent driver does not have the overhead of paying corporate presidents and Boards thousands of dollars in salaries and other expenses. The independent cab driver is not the middle man—he is THE MAN—therefore, taxi fares need not be as high as when there are administrative heads to be paid huge salaries.

The last time the Congress investigated the cab industry, it was found that the District of Columbia had the best taxi service in these United States. Congressman Teague of Texas conducted that study in 1957.

On Sunday, December 27, 1970, an article appeared in the Miami, Florida, Herald Newspaper which stated—"The City with the taxicab system most unlike Dade County's is Washington, D.C., said by many travelers to be the city with the best taxicab service in the nation. Cab fares there are cheap and cabs are plentiful. Many people use them to move about the city, finding it more economical and more convenient than driving their own automobiles. Unlike Dade, there is no limit on permits in Washington.

"Rates are by zones, so no meters are needed, they start at 75 cents. The most it would cost to travel diagonally across the District through all zones would be \$3.30. That would cover about 14 miles as the crow flies. A fourteen mile trip in Miami would cost about \$14. Every driver is practically his own individual entrepreneur, said Norman Belt, Chief Engineer for the Washington Public

Service Commission." Mr. Belt is also quoted in the article as saying that the taxi-to-population ratio is about one to every 75 persons. There are 9,191 cabs licensed in the District including 398 which operate independently of any company or association. Mr. Belt further stated in reply to a query "can a taxi driver in Washington make a decent living? If he devotes himself to his work he can, and many of them do."

Significantly, the article concludes "... restrictions and red tape have put the service at a price few can afford, and because the meter system which starts at 50 cents when you enter a Dade County cab and then goes up 10 cents for each 1/4 mile and 10 cents for each minute while waiting in traffic, on a test drive costs \$2.10 for a 26 block trip." "Rates like this," the article continued, "explain why the taxicab plays a relatively insignificant role in Dade County's transportation picture. The taxi hasn't been much help in taking the private auto off the crowded highways. Few people ride taxis on routine trips as they do in other cities. It's just too expensive."

As far as meters being used to prove income—drivers are required to use daily manifests to record each job. At any point when the Internal Revenue Service audits a record, if the manifest doesn't reflect an apparent true story of income, the IRS uses its own guidelines to show average income, therefore, it is in the best interest of the cab driver to keep accurate records.

In support of our argument that it is in the best interest of the citizenry of Washington, D.C., that power to control whether meters be installed in our taxicabs be vested in the Congress by way of the Rider attached to our Appropriations Bill rather than a Commission where an individual is liable to wield the power is vividly portrayed in the words of George Avery, former Chairman of the Washington Metropolitan Area Transit Commission and also former Chairman of the Public Service Commission in response to order No. 951 granting the Greyhound Corporation the franchise at the Airports:

"There are several aspects of the acquisition which favor the public interest. The first is the prospect of service improvement. As a part of its commitment to the FAA, Greyhound will provide an airport transport service which will constitute primarily for the convenience of Dulles passengers in addition to the downtown terminal at 12th and K Streets, N.W. Greyhound intends to offer new kinds of services: bus service to the Washington National, new types of group riding and jitney services; radio dispatched taxicabs. It promises higher equipment and maintenance standards and offers detailed plans for meeting those higher standards. The vehicle fleet will be enlarged and vehicles will be replaced more frequently. New maintenance facilities are planned, along with stricter maintenance program. Greyhound contemplates an advertising effort to make the public aware of its improved services in order to induce those now using private transportation to move to and from the airports by public means. We are impressed by Greyhound's plan for improvement of airport transportation service. Its application indicates an awareness of the need for upgrading public transportation facilities to be more competitive with private carriage and an apparent willingness to experiment to that end. Greyhound has available a depth of experience, not only in transportation generally, but specifically in providing airport ground transportation services. It owns companies providing those services at Miami, Florida; Atlanta, Georgia; and Detroit, Michigan. . . . We, therefore, believe that the public stands to realize tangible transportation benefits from the approval of the acquisition under consideration . . . We believe that the evidence concerning those (financial) factors favors approval of the application. In this connection, the applicant submitted a schedule of projected annual revenues through 1973 for its operations involving both airports, predicting that Greyhound will derive gross revenues of \$54 million over the five-year period, involving an anticipated profit in excess of \$2 million. . . . If the projects prove wrong, the actual situation can be accommodated by adjusting service to actual demand levels or, if necessary, through the rate-making process. In any event, the substantial financial resources of the parent Greyhound Corporation should enable Airport Transport, Inc., to meet and accommodate whatever actual conditions develop."

That franchise was granted to the Greyhound Corporation. However, within TWO YEARS after the granting of the franchise, Greyhound Corporation was back asking for a rate increase which was granted. *Incidentally, metered cabs are used.*

It is a known fact that the service at the Airport has not improved. Even the Federal Aviation Administration has sent out letters to the various cab companies in the District of Columbia asking for suggestions as to how the service at the Airport can be improved. The Greyhound Corporation set out beautifully the

theory of their plans for service to the Airport, for a huge profit and sold their point of view to Mr. Avery. Yet, since June 1969, this monopoly has failed miserably and continues to ban assistance from the other cabs who bring passengers into the airport in carrying passengers from the airport. Do we want to spread this kind of "service?" However, in the words of George Avery as quoted above, "In any event, the substantial financial resources of the parent Greyhound Corporation should enable Airport Transport, Inc., to meet and accommodate whatever actual conditions develop." But, the proof is that the Greyhound Corporation—with its "substantial financial resources"—did ask for a rate increase shortly after a franchise was granted and has also counter-acted with the service getting worse and worse. In a competitive free enterprise system, this would never happen.

The independent cab system in the District of Columbia can boast about its achievements—thousands of poor and blacks have been educated, have gone on to be lawyers, judges, doctors, sent children to schools and colleges, have made outstanding contributions to the city and country—all from income of hackers. Without this free enterprise system, void of monopoly, these things could not have been accomplished.

Today, there are hundreds of students, both American and foreign, driving cabs here in the District of Columbia in order to finance an education and at the same time provide a much needed service to the public. These college students will become assets to our country as well as to their native countries, where they may go on to be Prime Ministers, Ambassadors, or some national or international figures. We feel we should be able to continue to do this while we will be helping our citizens to stay off welfare rolls themselves and to establish a financial base for the families as well as provide the education which will enable each individual family to take his place in the community. And, as for the foreign student, hopefully, he will go back to his country with a better understanding of the American way of life and a fuller knowledge of how democracy works in these United States.

Finally, the independent cab driver cannot survive if the billion dollar corporations are permitted to evolve into a monopolistic system. Meters and limitations would be the death of the free enterprise system of taxicabs in the District of Columbia. However, in this free enterprise system, the competition is working—there is room for the small businessman as well as the fleet owner—why change this?

We urge you to protect the interest of the small businessman, the independent taxicab driver, who cannot compete in the lobbying in which huge corporations indulge, yet, who is adequately serving the community as well as self and family in the free enterprise system now existing.

An editorial of January 7 and 8, 1972 by Station WTOP "beats the drums for meters" and a monopolistic system. We quote:

"The use of taxi zones in the District of Columbia is a ridiculous holdover from the days when Model-T's were still hauling people. Taxi meters are the modern and sensible way to go.

Washington is the only major city in the country which has not gone to the meter system. Why? Because Congress for almost forty years has tucked a little provision into the D.C. appropriation's bill each time around which prohibits the use of meters. Why a prohibition? The answer to that is obscure, but it's hardly a coincidence that the zone method gives Congressmen the cheapest possible ride between the Capitol and downtown.

"Zones are undesirable because they're arbitrary. The price you pay today for a ride in a cab has no relationship whatever to the distance you travel. It's possible to ride several miles within the same zone and pay the minimum fee of 75 cents. It's also possible to ride less than a mile through three different zones and pay \$1.45. In all, there are 23 zones to confuse riders. Most people probably have no idea how many zones they've passed through. Meters make sure you pay for what you get. That way, it's fair to cab drivers and passengers alike. Taxi zones in Washington are obsolete. Senator Daniel Inouye, who has done a generally sterling job as chairman of the D.C. appropriations subcommittee, has pledged to go to bat for the meter system. . . ."

If Zone 1 is so beneficial to the Congressmen, it is of far greater benefit to the citizens of Washington who ride more than the members of the Congress.

We quote from the above editorial—"Meters do make sure you pay for what you get"—however, if a driver takes you the long way—you pay for what you get but not what you need or asked for. This is not fair.

We have proven by way of newspaper reports that the metered system in other cities are not working—so why continue to use those systems as models.

The public is financially involved in the taxicab industry in the District of Columbia. Therefore, we beg you, leave the taxicab industry in the hands of the independent taxicab drivers and maintain the rider on the Appropriation's Bill to safeguard the industry from the use of meters and a monopolistic takeover.

We do thank you and urge you to save the independent taxicab system in the District of Columbia. Leave the taxicab business to the small businessman to save the Government and the taxpayers the headaches of subsidizing huge corporate salaries.

We further urge that the rider be retained on the appropriation bill to continue to assure us of a free-enterprise system without meters.

We again ask you to listen to the voice of the majority—the cab drivers and the riding public.

Respectfully submitted,

WILLIAM J. WRIGHT, *Chairman*,
F. D. MATTHEWS, *Executive Secretary*,
MONTE LILLY, *Secretary*.

We concur in the sentiments of the preceding ten pages of the Taxicab Industry Group as being opposed to the installation of meters in the taxicabs of Washington, D. C.

COMPANY or ASSOCIATION

NAME OF REPRESENTATIVE -- POSITION

Capital City Cooperative Association *John Boardman* ^{Chair of Board}
 Federal Cab Assn. Inc. *Whit. Suck* President

D. T. C. A. - Deamon & Cab. Inc. *James J. Jewell* President

James E. Madison RADIO FLASH CAB ASSOCIATION INC.

W. B. Jackson DIPLOMAT CAB ASSN. INC. *Jefferson*

W. B. Cab Co. Inc. *T. D. Matthews* Secy.

D. C. Cab Co. & Drivers Sch. 11
 Alvin McCain - 1928-5074

A. B. C. CAB CORP.

EASTERN CAB CO., INC.

SAFETY TRANSIT CO., INC.

W. B. Imperial Cabs

W. B. Cab Association Inc *Edmund Wood* President

W. B. Cab Assn *Robert W. Wood* President

METEOR CAB ASSOCIATION

King Cole Cab Assn *Alfred R. Cole* (Pres.)

W. B. M. Johnson Super Cab Assn.

W. B. Cab Assn *W. F. Jones* (Vice Pres)

W. B. Cab Assn *W. F. Jones* (Vice Pres)

W. B. Cab Assn *W. F. Jones* (Vice Pres)

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W. B. Cab Assn *W. F. Jones* (Vice Pres)

COMPANY or ASSOCIATION

NAME OF REPRESENTATIVE -- POSITION

Lehigh Cab Assn

Lawrence E. Harlan

Cardinal Cab Assn Inc

R. Harlan

Sun Cab Assn Inc

R. Harlan

Fleetway Cabs, Inc

Edgar M. Lord Pres.

W. C. Jeffers

Centurion Inc

Gray Top Cabs

W. C. Jeffers

White Top Cab Co

W. C. Jeffers

SUNUS CAB

Rochester B. Butler

United CAB

Rochester B. Butler

East Side Cabs, Inc.

R. B. Taylor, President

CARLTON CAB ASSOCIATION

R. B. Taylor, Manager

Majestic Cab Assn

Pres. R. B. Taylor

Bison Cab Association

Morris B. Robinson, President

American Cab Assn

Frank B. Taylor

Tel Star Cab Assn

Chas. H. Jones

White Top Cab Co

Chas. H. Jones

Anson Cab Assn

Rely Porter

Sun Cab Assn Inc.

Edmund H. Brooks, President

Harlem Cab Assn

Robert E. Walker

WHY THE CABBIES WHO DRIVE THE "YELLOW" ARE SEEING RED IN...

New York—When Pvt. Virgil Jones drove a three-quarter-ton truck in Germany, he dreamed of having his own business. Six months ago, the dream came true. He paid \$700 for a 1965 Ford Galaxie, \$100 for a city livery permit . . . and became a 'Gypsy' cab driver!!

To hundreds of thousands of New Yorkers outside of midtown Manhattan, gypsy cabs are as much a part of the city's transportation system as the subways and Yellow Cabs (all N.Y. medallioned cabs are now painted yellow) that flash up and down Fifth Avenue and Broadway. The trouble is, they operate illegally much of the time. Despite that, Michael J. Lazar, the city's new taxi czar, said he intended to do something about giving them a degree of legitimacy.

Under a 34-year-old city statute, only cars that have a city taxi permit . . . symbolized by a metal medallion on the hood . . . can cruise the streets, stopping for passengers who hail them from the curb. The number of permits is fixed at 11,799, and about 58 percent of them are owned by 70 fleet corporations . . . the rest are owned by owner-drivers who have bought the transferrable medallions for up to \$30,000. Only 'medallion' cabs can be painted with the yellow as designated.

For years, however, thousands of cabs without medallions (like Pvt. Virgil Jones' Ford) have cruised the streets of Harlem, the South Bronx, the Bedford-Stuyvesant section of Brooklyn, and some other poor communities. They've been tolerated by the police and various city administrations because the medallioned cab drivers often refuse to go into the above mentioned areas . . . the drivers didn't like being robbed, assaulted and killed.

In recent months, the number of gypsy cabs has been growing, partly because rising unemployment has led more New Yorkers to try their hand at hacking. This has led some gypsies to attempt to expand their turn in Manhattan and other sections where they seldom operated before. And it is evident that some people who haven't used gypsies before are now riding them—many gypsies charge less than the 'Yellow' cabs which raised their fares by 49% last year.

Nobody is certain just how many gypsy cabs there are in New York. The estimates range from 2,500 to perhaps 5,000 working regularly out of some kind of fleet garage equipped with a radio dispatch service. Any car whose owner has paid the \$100 livery license fee can carry passengers for hire after a telephone request; it's just that simple. It's illegal for them to cruise looking for fares.

But there may be, according to some city officials, as many as 7,000 more gypsy cabs, owned and driven by men like Mr. Jones, which are not associated with one of the radio-dispatching services but cruise illegally. Mr. Jones (which, incidentally, is not his real name) is perhaps typical of most such owner-drivers.

A 29-year-old native of Brooklyn, he drives mostly in Harlem and the Bronx, though, "I'll go anywhere my meter ticks. Our people up here have an image of the Yellow cabs as refusing to pick up riders, and I want to keep our image as the emergency rescue guys who'll pick up anybody and go anywhere." He works a 12-hour day, from 6 p.m. to 6 a.m. and (he says) he averages \$40 to \$50 on weekdays and \$60 on Saturdays.

For years, the gypsy cab drivers like Mr. Jones have been the natural enemies of the men who own and/or drive Yellow cabs. The conflict between them has intensified bitterly in recent months as the size of the gypsy fleet has grown and the business of the Yellow cabs has fallen as a result of the fare increase. The conflict has—on occasion—been a violent one; just a short while ago windows in some 50 Yellow cabs in the Bronx were broken.

Taxi Commissioner Lazar, a former city councilman, whose agency was established as part of the city legislation that authorized the medallioned cab rate increase, says he will soon begin drafting licensing legislation procedures and regulations that will set fares, safety standards and driver qualifications for gypsy cab operators. This would give the city's official stamp of approval to the gypsy cab industry for the first time.

But Mr. Lazar said the agency still must decide the question of operating rights for gypsies. Should their present illegal cruising practices be legitimized? If so, should they be legalized in all, or just part of the city? Should the gypsies be allowed to pick up passengers at designated hack stands? If so, where?

The taxi drivers' union and the medallion cab owners, however, are poised to fight any legalized invasion of what they regard as their territory. As one driver, who claimed he paid \$28,000 for his medallion five years ago, said, "If Lazar tries that, he is going to have trouble on his hands."

The gypsy cab operators would have on their side a number of influential leaders of the city's black and Puerto Rican communities, including Calvin

Williams, a State Assemblyman and a major private livery car service operator in Brooklyn.

Gypsy operators are already unhappy with what they consider a stricter city reign on their operations. On July 19, the city began enforcing a new law that raises the fine for illegal taxi operations from \$25 to as much as \$500. More than 500 summonses have been issued since July 19.

ADDITIONAL INFORMATION FOR THOSE WHO THINK THEY WANT METERS INSTEAD OF THE CURRENT ZONE SYSTEM¹

For the cab drivers who don't know what it is to operate a metered cab, we suggest you carefully read the following information.

An owner shall replace a taxicab or coach when so ordered by the Hack Bureau where it appears that the vehicle no longer meets with reasonable standards of safe operation. Upon failure to comply with such order within 120 days after service of the order, the license shall be deemed to have been "abandoned by non-user" as provided in the Administrative Code.

Except for good cause shown, an owner shall be subject to revocation of a hack license if:

- (a) a taxicab or coach has not been operated for sixty (60) consecutive days; or
- (b) after sale of a taxicab or coach, he has failed to replace the vehicle within 120 days from the date of sale.

An individual owner may not incorporate, nor may he use a trade name. This restriction also applies to partners in the ownership of one vehicle. A fleet corporation shall be organized under the laws of the State of New York, and shall maintain an office within the City of New York.

The owner shall have a responsible person available at all times to whom a driver may report a defect in the vehicle or its equipment. (See Drivers' Rules 42 and 48)

When a vehicle taken out of service under Rule 10 has been repaired:

- (a) if the driver resumes hacking in the same vehicle, and the replacement or repairs were made by the owner or an employee other than the driver, such person shall make an entry on the vehicle's trip record showing the work that was done, and the time it was finished; (See Drivers' Rule 48)

TAXIMETERS

No taximeter shall be installed unless the meter is of a make and type acceptable to the Hack Bureau.

Tire size shall be the same as that for which the taximeter is calibrated, as indicated by the rate card. Tire inflation shall not be less than that shown on the rate card. Tire inflation shall be checked daily; a tire which does not hold the specified pressure over a 24-hour period shall be replaced immediately.

Passengers shall not be carried until a vehicle's taximeter has been tested for accuracy over a measured mile course by the assigned precinct hack inspector whenever:

- (a) the transmission or differential is altered or replaced; or
- (b) a change is made in any other part of the vehicle that may affect the meter readings; or
- (c) the Hack Bureau or the precinct hack inspector considers it necessary.

An owner shall notify the assigned precinct hack inspector within 24 hours of the time that any of the changes mentioned under subdivisions (a) and (b) are made.

An owner shall deliver to the assigned precinct hack inspector a letter certifying to the number of teeth in the pinion gear installed in a taxicab, whenever:

- (a) a new medallion is affixed to the taxicab; or when
- (b) a pinion gear is installed which has a number of teeth different from the previous gear; or when

- (c) a transmission or differential is repaired or replaced. In this instance, the letter shall be delivered even if the number of teeth in the pinion gear remains the same, and the letter shall specify the particular repair or replacement made in the transmission or differential.

At renewal time, a fleet owner may submit one letter covering all of his vehicles. Precinct hack inspectors will note this information on the rate card assigned to each vehicle.

¹ From "The Taxicab Industry Group." This article deals with New York meter cabs.

Taximeters shall be submitted to the Police Department for a laboratory test at least once each year.

22. "DEFECTIVE TAXIMETER": When a taximeter is not operating correctly:

(a) passengers shall not be carried until it has been:

(1) repaired at a licensed taximeter repair shop; and

(2) checked by the meter shop hack inspector, who will press the taximeter seal/s; and

(3) checked by the assigned precinct hack inspector, who will press the seal on the cable housing.

(b) if either the meter shop hack inspector or the precinct hack inspector is not available, the repair slip shall be presented to the desk officer of the precinct where the repair shop is located or the precinct where the garage is located, who will countersign it. The driver shall carry the countersigned repair slip while hacking. Passengers may then be carried, but only until such time as the meter shop hack inspector and the precinct hack inspector are available to check the meter and press the appropriate seals. The repair slip shall then be presented to the meter shop hack inspector.

(c) if the owner replaces the defective meter with an approved reserve meter, passengers shall not be carried until the assigned precinct hack inspector has checked the substituted meter and pressed the seal on the cable housing. If the precinct hack inspector is not available, a letter signed by the owner or his agent shall be presented to the desk officer of the precinct where the garage is located, who will countersign it. The driver shall carry the countersigned letter while hacking. Passengers may then be carried but only until such time as the precinct hack inspector is available to check the meter and press the seal on the cable housing. The countersigned letter shall then be surrendered to the precinct hack inspector.

An approved reserve meter is one which has been inspected and sealed within a period of not over one year, and has pasted thereon an approval slip signed by the meter shop hack inspector.

Owners shall comply with the Vehicle and Traffic Law regarding coverage by bond or policy of liability insurance. An owner whose liability insurance is cancelled shall notify the Hack Bureau without delay, and shall surrender any and all medallions and rate cards.

An owner shall not require a driver to make up any loss as a result of a fare dispute which has been resolved by a precinct desk officer.

An owner shall promptly notify the Hack Bureau of any violation of rules by a driver, and any fact, condition, or occurrence which would affect the status of his hack license or chauffeur's license.

A violation of either of these requirements shall be cause for denial or revocation of license.

Official notice will be taken of any misconduct, deceit, fraud, subterfuge, or actions of an owner which are against the best interests of the public, even though not specifically mentioned in these rules.

Any violation of these rules may result in suspension or revocation of license.

Required equipment and the optional equipment listed in the Police Department Taxicab Specifications shall comply with said specifications and shall be installed as provided therein. When an item of optional equipment is installed, the owner shall notify the precinct hack inspector in person or by mail within 48 hours. The precinct hack inspector shall notify the Hack Bureau on official form in all such cases, and shall inspect the installation in those cases where required by the Taxicab Specifications. No other equipment or device shall be installed in or on a taxicab or coach without prior approval of the Hack Bureau.

An owner, or association of owners, may not use, establish or hire a two-way radio service without the permission of the Hack Bureau. When permitted, such service shall be operated in full compliance with the regulations of the Federal Communications Commission.

Unless permission has been granted by the Hack Bureau, no owner, or agent of an owner, including a driver employed by him, shall install a two-way radio in a licensed hack. When permitted, such radio shall be adjusted or tuned to receive broadcasts only on the frequency which was selected at the Federal Communications Commission by such owner or association of owners, and approved by the Hack Bureau.

An owner, or association of owners, maintaining two-way radio service shall record all requests for service as received, and retain a record of each such call for not less than six months. Records shall contain not less than the following:

Taximeters shall be submitted to the Police Department for a laboratory test at least once each year.

22. "DEFECTIVE TAXIMETER": When a taximeter is not operating correctly:

(a) passengers shall not be carried until it has been:

(1) repaired at a licensed taximeter repair shop; and

(2) checked by the meter shop hack inspector, who will press the taximeter seal/s; and

(3) checked by the assigned precinct hack inspector, who will press the seal on the cable housing.

(b) if either the meter shop hack inspector or the precinct hack inspector is not available, the repair slip shall be presented to the desk officer of the precinct where the repair shop is located or the precinct where the garage is located, who will countersign it. The driver shall carry the countersigned repair slip while hacking. Passengers may then be carried, but only until such time as the meter shop hack inspector and the precinct hack inspector are available to check the meter and press the appropriate seals. The repair slip shall then be presented to the meter shop hack inspector.

(c) if the owner replaces the defective meter with an approved reserve meter, passengers shall not be carried until the assigned precinct hack inspector has checked the substituted meter and pressed the seal on the cable housing. If the precinct hack inspector is not available, a letter signed by the owner or his agent shall be presented to the desk officer of the precinct where the garage is located, who will countersign it. The driver shall carry the countersigned letter while hacking. Passengers may then be carried but only until such time as the precinct hack inspector is available to check the meter and press the seal on the cable housing. The countersigned letter shall then be surrendered to the precinct hack inspector.

An approved reserve meter is one which has been inspected and sealed within a period of not over one year, and has pasted thereon an approval slip signed by the meter shop hack inspector.

Owners shall comply with the Vehicle and Traffic Law regarding coverage by bond or policy of liability insurance. An owner whose liability insurance is cancelled shall notify the Hack Bureau without delay, and shall surrender any and all medallions and rate cards.

An owner shall not require a driver to make up any loss as a result of a fare dispute which has been resolved by a precinct desk officer.

An owner shall promptly notify the Hack Bureau of any violation of rules by a driver, and any fact, condition, or occurrence which would affect the status of his hack license or chauffeur's license.

A violation of either of these requirements shall be cause for denial or revocation of license.

Official notice will be taken of any misconduct, deceit, fraud, subterfuge, or actions of an owner which are against the best interests of the public, even though not specifically mentioned in these rules.

Any violation of these rules may result in suspension or revocation of license.

Required equipment and the optional equipment listed in the Police Department Taxicab Specifications shall comply with said specifications and shall be installed as provided therein. When an item of optional equipment is installed, the owner shall notify the precinct hack inspector in person or by mail within 48 hours. The precinct hack inspector shall notify the Hack Bureau on official form in all such cases, and shall inspect the installation in those cases where required by the Taxicab Specifications. No other equipment or device shall be installed in or on a taxicab or coach without prior approval of the Hack Bureau.

An owner, or association of owners, may not use, establish or hire a two-way radio service without the permission of the Hack Bureau. When permitted, such service shall be operated in full compliance with the regulations of the Federal Communications Commission.

Unless permission has been granted by the Hack Bureau, no owner, or agent of an owner, including a driver employed by him, shall install a two-way radio in a licensed hack. When permitted, such radio shall be adjusted or tuned to receive broadcasts only on the frequency which was selected at the Federal Communications Commission by such owner or association of owners, and approved by the Hack Bureau.

An owner, or association of owners, maintaining two-way radio service shall record all requests for service as received, and retain a record of each such call for not less than six months. Records shall contain not less than the following:

date and time received, name and address of caller, destination, driver to whom the call was assigned.

The use of code letters, code numbers, or code names by a radio dispatcher to convey information to a driver concerning a call is prohibited, nor shall a dispatcher broadcast the destination of the passenger. The number of passengers involved shall not be broadcast unless a five-passenger taxicab is required.

Two-way radios shall not be used for personal conversations. Cross-conversations between drivers shall be limited to business or emergency purposes only.

A responsible officer of an association which has been granted permission by the Hack Bureau to operate a two-way radio service shall notify the Hack Bureau in writing within 48 hours, when a member joins the association, and when any member severs his connection. Such member shall make a similar notification to his assigned precinct hack inspector in person or in writing within 48 hours.

All officers of an association operating a two-way radio service are responsible for the proper instruction of dispatchers and other employees in the rules of the Federal Communications Commission and the Hack Bureau regarding this service.

No extra charge of any kind shall be made to a passenger for two-way radio taxicab service, or for any other telephone service. No charge shall be made for time consumed or distance traveled to point of pickup.

Sale or transfer of vehicle with medallion rights; requirements:

(a) the sale or transfer of a fleet vehicle with medallion rights shall be made only to a person or organization which is to become a fleet owner. Similarly, the sale or transfer with medallion rights, of the vehicle of an individual owner shall be made only to a person (or partnership) who is to become an individual owner;

(b) no change in the ownership of a vehicle or vehicles, or sale or transfer of an interest in a business by an owner, corporate or otherwise, shall be made without the approval of the Hack Bureau except that an additional interest in the same fleet corporation may be acquired by a stockholder who has been previously approved by the Hack Bureau. In appropriate cases, medallions and rate cards for such vehicles shall be surrendered and new license applications shall be filed;

(c) a sale or transfer will not be permitted if an unsatisfied judgment is on file within the City of New York against the licensed seller or transferor and the Hack Bureau has been notified of said judgment. If an appeal is pending from an unsatisfied judgment, the Hack Bureau, in its discretion, may permit such sale or transfer provided the seller or transferor files a bond in sufficient amount to satisfy the judgment. A sale or transfer also may be permitted without filing such bond provided that all judgment creditors of unsatisfied judgments file written permission with the Hack Bureau;

(d) the purchaser or transferee must demonstrate to the satisfaction of the Hack Bureau that he is qualified to assume the duties and obligations of a hack owner;

(e) the purchaser or transferee shall file a bond with the Hack Bureau to cover all outstanding tort liabilities of the seller in excess of the amount covered by any bond or policy of liability insurance required by the Vehicle and Traffic Law.

NOTICE TO ALL LICENSED OWNERS

It has come to my attention that certain drivers have been demanding exorbitant fares from customers during the recent heavy snow storms.

You are hereby put on official notice that any driver seeking extra fares, refusing fares, or demanding fares in excess of that recorded on the taximeter will be immediately suspended!

The poor image being reflected by the conduct of a few unscrupulous individuals is extremely detrimental to the best interests of the general public and to the entire taxi industry.

Your cooperation in posting this notice and disseminating its contents to all drivers will be very much appreciated.

CHARLES T. COBB,

Lieut., Inspector of Carriages, Boston Police Department.

Boston.—The City of Boston's Office of Human Rights disclosed yesterday that—"the hackney license of a Boston taximan was suspended for two weeks for refusing to take a black woman from downtown to the Roxbury (Boston) area."

Herman W. Hemingway, administrator of the OHR at Old City Hall, said the incident was one of about 15 complaints received in the past few weeks involving refusal to accept black patrons.

He said the case which resulted in suspension of the taxi license involved a woman who entered a cab in the downtown theatrical district and gave her destination.

The cab driver said he was getting off early and asked the woman to leave his vehicle. She got out, Hemingway said, and later noticed the cab circling the block several times.

Her complaint caused Lt. Charles T. Cobb, inspector of carriages in the police department, to order suspension.

Hemingway urged other complainants of taxicab service refusal to note time, date, medallion tag number and the cab company's name.

TAXI NEWS DIGEST

DEAR EDITOR: I am sending you a copy of a letter I have received from the Children's hospital, Boston regarding their complaint concerning taxi service from Boston cabs. I feel that this complaint should be publicized in the Taxi News Digest and, perhaps, remedial action will result. (From a Boston Medallion Holder)

The below is from the Children's Hospital Medical Center, 300 Longwood Avenue, Boston, Mass.

DEAR SIR (Taxi Company): In recent weeks this office has received a number of complaints from parents and hospital personnel having to do with so-called discriminatory practices by the drivers of taxicabs on the stand in front of 300 Longwood Avenue. Universally, the complaint is the driver has refused to accept a black parent and children for transport.

While we have not been successful in identifying the taxi companies whose drivers have refused to take black persons as fares, we are aware this practice has become widespread in Boston.

Any taxi company enjoying the privilege of standing . . . in the taxi line at 300 Longwood Avenue entrance of the Children's Hospital, those cabs have, we believe, the obligation to provide service to anyone requesting a taxi at this stand, without regard to their color or destination. We would appreciate the Taxi Industry calling this matter to the attention of their drivers. Thank you.

Sincerely yours.

[From the Miami Herald, Dec. 27, 1970]

WASHINGTON'S CABS SHOW WHAT'S POSSIBLE

The city with the taxicab system most unlike Dade County's is Washington, D.C., said by many travelers to be the city with the best taxicab service in the nation.

Cab fare there is cheap and cabs are plentiful. Many people use them to move about the city, finding it more economical and more convenient than driving their own autos.

Unlike Dade, there is no limit on permits in Washington. Any person of ordinary health and intelligence who owns a safe automobile can go into the taxicab business. It costs him about \$25 for his permit.

Rates are by zones, so no meters are needed. They start at 75 cents. That, for example, is what it costs to go from the Capitol Building to the Mayflower Hotel, both of which are in the same zone. (The story goes that this was deliberately done because so many lawmakers stay at the Mayflower.)

Crossing one zone boundary brings the fare up to \$1.10 two boundaries to \$1.45. The most it would cost, to travel diagonally across the district through all zones, would be \$3.30. That would cover about 14 miles as the crow flies. A 14-mile trip in Miami would cost about \$14.

"Every driver is practically his own individual entrepreneur," said Norman Belch, chief engineer for the Washington Public Service Commission.

There are no hired drivers, he said, because owners do not find the practice sufficiently lucrative. Some cabs are leased, but the cost does not include payment simply for the privilege of operating, as it does in Miami. The individual owner-drivers usually join an association or company so they can use the name and color of the group.

One of the big companies is Yellow Cab, which includes about 650 cabs driven by the owners and 300 leased by the company. The lease cost is from \$8 to \$11 a day, depending on the age of the car and the number of hours it is used.

Insurance is only \$6.50 a week, or \$338 a year, under rates set by the Public Service Commission. Two large associations are self-insured.

Through an arrangement worked out with suburban areas, District cabs can pick up outside their territory, so deadheading is not the problem there that it is in Dade.

The taxi-to-population ratio is about one to every 75 persons, reported Belch. There are 9,191 cabs licensed in the District, including 398 which operate independently of any company or association.

Can a taxi driver in Washington make a decent living?

"If he devotes himself to his work he can, and many of them do," reported Belch.

The same report came from William F. Gresham, general manager of Yellow Cab.

Many of the Washington cab drivers are part-timers who hold down steady jobs elsewhere. Gresham referred to one who works in the Treasury Department and brings passengers into town on his way to work and takes them out on his way home.

[From the Miami Herald, Dec. 27, 1970]

FREEZE ON PERMITS CUTS SERVICE—DADE COUNTY TAXIS ARE FOR CARRIAGE TRADE ONLY

(By Juanita Greene, Herald Urban Affairs Writer)

Shouting "Taxi!" is a very expensive thing to do in Miami and the rest of Dade County.

The fares here are among the highest of any metropolitan area in the U.S. A Herald survey of many large cities found only one (Oakland, Calif.) with rates as high and none with higher rates.

Moving about by taxi in this area is a luxury reserved almost exclusively for the free-spending tourist. The average citizen calls a cab only in emergencies.

The meter starts out at 50 cents and begins rolling like a barrel over Niagara Falls.

"Gluck, Gluck, Gluck" it goes, adding a dime with each turn. The fare is 10 cents for every one-sixth of a mile if the cab is moving. If the taxi is idling at a light or caught in heavy traffic, another fare, based on "waiting time," is superimposed over this base charge. This added charge is 10 cents a minute.

The result:

To go from the Dupont Plaza Hotel in downtown Miami to the DuPont Building in downtown Miami via a route that covers eight blocks, the fare on one trial trip was \$2.10. This is about 26 cents a block, plus tip.

Rates like these explain why the taxicab plays a relatively insignificant role in Dade County's transportation picture. The taxi hasn't been much help in taking the private auto off the crowded highways.

Few people ride taxis on routine trips as they do in some other cities. It's just too expensive.

Some of the facts behind the high fare:

The number of cabs allowed to operate is very limited. The big people in the cab business, including Moyshe Zilber and William and Stanley Segal, got a freeze on new cab permits from the 1967 state legislature. Not until there are more than 1,200 persons to each cab in the unincorporated areas and more than 850 persons for each cab in the cities can more be issued. In most places it will take 10 years or more to reach that level. Who determined the people-to-cab ratio? The taxicab industry, says Zilber.

It takes a big investment to get into the cab business because of the freeze on permits. With no new ones available, existing permits are selling for between \$15,000 and \$18,000.

Most permit owners do not drive the cabs. They lease out their paper, or legal permission to operate. The lessee in turn often hires someone to drive the cab, creating another layer of cost. Taxi union official George Kern reported a permit owner can make from \$3,500 to \$4,500 a year merely by allowing someone to use his permit, without investing in a vehicle or any operating expense. Kern thinks it would be better for the cab industry and the public if every permit owner were required to drive his own cab.

Taxicabs can't pick up passengers just anywhere. If a cab is registered in Miami but not in Coral Gables, for example, the driver can pick up a passenger in Miami

and drop him off in Coral Gables. But he can't pick up a passenger in the Gables and take him to Miami on the way back—at least, not legally. This restrictive policy leads to "deadheading," which runs up the cost of operating a taxi because it usually has to return empty to home base. It also leads to confusion, jurisdictional infighting, cut-throating, cheating, frustration and a bruising of the public interest. Some cab owners, with luck, foresight and money, managed to get permits in more than one city, so their drivers have more latitude in scouting for passengers.

Taxi drivers spend about half their time waiting for passengers instead of hauling them. Both Zilber and Kern estimated that in an average 10-hour day, five hours are lost waiting for fares.

Insurance, the biggest operating cost in the cab business, keeps going up. The bill now is about \$1,500 a year per cab.

The county's big bus system is not set up to make it feasible for taxis to serve as "feeders" to it. Few people take a cab to catch a bus, as they do in many cities. One handicap, Zilber reported, is the absence of bus terminals. With them both the cab and the bus service would improve, he said.

Cabs are not allowed to act like jitneys. They can't make appointed rounds in the same neighborhood each morning to pick up a load and head to a central location, such as downtown Miami.

The tourist is more sought after by cabbies than the local resident, especially the tourist so infected with the joy of vacationing that he takes long rides, does not question the fare and gives large tips. One fare like this is worth 10 little old ladies loaded down with brown bags waiting outside the supermarket.

The most lucrative generator of taxicab business, Miami International Airport, is closed to all but one group of cabs.

Because of jurisdictional confusion, no one can say exactly how many cab permits are out in Dade. Some permits don't mean much because they allow operation only in limited areas that generate very little business.

Zilber estimates there are about 1,000, including some "sleepers" that were issued by small towns before the freeze and are not being used.

HOW MIAMI TAXI RATES COMPARE¹

	For 1 mile and 30 seconds idling time	For 1 mile and 90 seconds idling time
Miami.....	\$1.10	\$1.20
Oakland.....	1.10	1.20
Los Angeles.....	1.00	1.10
San Diego.....	.90	1.00
San Francisco.....	.95	1.05
New York (soon to be raised).....	.80	.80

¹ Other cities with lower fares than Miami include Boston, Atlanta, and Detroit.

Most significant are the number of cabs registered in Miami—431, and Miami Beach—204.

To look into the taxicab situation in Dade County is to wander in a maze of antipathies left over from fights to corner the industry or the supply of customers. Most of the wrangling has been over the tourist, arriving at plane, train, bus and and boat terminals and residing at big hotels.

The principle of free enterprise with open competition has not been the guiding one in the hack business.

"It's like a fellow who builds up a good grocery business then has someone open up across the street," said Zilber, explaining what prompted him to push for the cab quota law.

Official records show the legislation was introduced in the House by Representatives Murray Dubbin, Robert Hartnett and Carey Matthews. A companion bill was introduced in the Senate by George Hollahan.

Dubbin said he could not recall having anything to do with the legislation, but Hollahan said Dubbin had discussed it with him.

"It went through without a hitch," said Hollahan. "The Dade delegation supported it and not too many taxicab people objected."

Asked how he arrived at the one cab to 1,200 persons ratio, Hollahan said.

"We relied on the expertise of Stanley Segal, who at the time was in the cab business."

The Segal family at one time owned more cabs than anyone else in Dade County.

With this advantage they have been able to win the exclusive right to operate out of Miami's main airport since before World War II. They hold the franchise even today though they have sold out at both ends.

About 12 years ago, in the face of union activity among their cab drivers, they sold their cabs to the drivers. The price was \$5,000 each, with a 10-year payment plan for both the vehicle and the permit.

Though cabless, the Segals' Red Top Sedan Service, Inc., still held the Port Authority's franchise when it sold the business to the Greyhound Corporation three years ago. Stanley remains president of Red Top and operates the cab end. Red Top also had the limousine franchise which was bought by Greyhound. Brother William now operates Greyhound Rent-A-Car and is president of that.

Red Top today polices the select group of cabs allowed to operate out of the airport, providing starters and the discipline said to be needed to keep down fights among drivers over who gets the passengers.

The bulk of the airport service is carried out by the 233 former Segal cabs which operate as Yellow Cabs with certificates from the city of Miami. These cabs now are owned by 25 companies, groups and individuals. Thirty-nine of Zilber's 61 cabs are part of this Yellow fleet.

Also serving the airport are 30 "Airport Taxis" which operate under Florida Public Service Commission certificates owned by Red Top. They were granted before the freeze. Red Top leases out the certificates to drivers who own their own cabs. Most are Cuban.

They take the trips that the Yellows don't want, operating a "shuttle," or short haul service. The Yellows don't care to deal with a passenger who wants to go to a hotel near the airport or to Coral Gables or Hialeah when there are people in line who want to go to places like the Fontainebleau Hotel at a cost of \$7.50 plus tip.

Before the "shuttle" service was established, home folks did a lot of complaining about being shunned by the cabs at the airport.

For the privilege of operating at the airport, the Yellow Cabs pay Red Top a fee of about \$23 a week and the Airport Taxis pay \$68 a week. Red Top in turn pays the county a fee, which amounted to about \$270,000 last year.

The Dade County Port Authority is very happy with its franchise with Red Top, reported Daniel Morgan, real estate and concessions officer.

"It's a beautiful arrangement," he said, "because it means a lot of income for the Authority."

Each arriving passenger, whether he takes a taxi or not, makes a contribution to the Port Authority coffers by his mere presence on the premises.

For each body that departs from a plane, Red Top pays the county eight and a half cents. A nickle of that is for the exclusive right to operate taxis from the airport and two and a half cents is for the exclusive right to operate limousines.

Stanley Segal reported that last year about 5 million bodies were counted, for which his company paid the Port Authority \$450,000—\$270,000 of which was for the cab franchise.

Significantly, taxicabs and limousines each carry off only 10 per cent of the arriving passengers.

Combined, they do not transport as many passengers as rental cars, in which 25 per cent of the passengers depart from the airport, adding to the congestion on the streets and in the parking lots.

In fact, Segal reported, Miami International does more rental car business than any other airport in the U.S.

"The fleets here are enormous," reported Morgan. "At the height of the season we will have 7,500 rental cars available at the airport."

Last year the rental cars at the airport generated more than \$16 million in business and paid the Port Authority \$663,000 for the privilege of operating there.

The high cab fare coupled with the inadequate bus service undoubtedly has a lot to do with making Miami one of the rental car capitals of the world. Tourists, like home folks, find the only way they can move around conveniently is by private auto.

After Dade's new countywide Metropolitan Government was created in 1957, an attempt was made to bring all taxicabs under uniform regulations and licensing. But the Miami Beach taxis sued and won a court decision that threw Metro out of the taxi field.

So it is today that certificates for cabs picking up passengers in the unincorporated area are the responsibility of the Florida Public Service Commission, though it can't issue any because of the freeze.

Each city and town maintains jurisdiction over the cabs picking up in their boundaries though, again, they can't issue any more certificates if they are over the quota.

Before the 1967 freeze, some cab companies and individuals were getting certificates from small towns like West Miami. The hope was that eventually Metro would find a way to move in on the cab permit field and make all existing certificates good for pickups anywhere in the county. This would take an act of the Legislature.

Fares are set by each city, and all follow the lead of Miami, which recently granted an increase.

In the unincorporated area, cabs can charge whatever the traffic will bear, as long as they post their rates. Some along the strip north of Miami Beach are known in the industry as "happy buccaneers." They work till the small hours, transporting patrons around to thumping night spots.

Cab moguls like Zilber and Segal defend the present system and rate schedule as the most beneficial for all concerned.

"We have the best cab service in the U.S.," said Zilber.

Perhaps, but restrictions and red tape have put it at a price few can afford.

Senator INOUE. Our next witness is Mr. William K. Scheirer of the R. L. Hines Associates, Inc. Welcome, sir.

STATEMENT OF WILLIAM K. SCHEIRER, SENIOR ECONOMIST, R. L. HINES ASSOCIATES, INC., TRANSPORTATION AND MANAGEMENT CONSULTANTS

Mr SCHEIRER. Mr. Chairman, thank you. The first thing I would like to say is the fare from this corner to the White House was 75 cents because you are crossing 8th Street and it shouldn't take more than 15 or 20 minutes.

My name is William K. Scheirer. I am a senior economist with the transportation, economics, and management consulting firm of R. L. Hines Associates here in Washington. I have also driven a cab.

I normally testify for citizen groups, but my association with a consulting firm would make it inappropriate for me to do so on a bill which calls for a study. As an economist, however, I would urge that S. 3091 be broadened to include a study of modifications of the zone system and other systems besides the meter. My intention today is to compare the zone and meter systems, and then to indicate some of the other possibilities.

There is no question that something needs to be done. The major defects of the present zone system are that it is too arbitrary because of the largeness of the zones and that it does not compensate a driver for his time when he is unable to move. The meter system, however, is no panacea.

The first consideration concerning any fare system is the number of people that will be induced to drive a cab. In this context, it is mainly a question of net income, which is in turn essentially a question of fare level. The level of fares should be kept distinct from the manner in which fares are calculated, with the exception that it is institutionally easier to raise fares when the fare system is changed. In this connection, my own experience suggests that in the past year revenues have dropped 2 percent while consumer prices have risen about 4 percent, for a loss in real income of approximately 6 percent.

On the other hand, Washington is known for relatively inexpensive fares and numerous people making everyday use of cabs. Any fare increase causes a decrease in the number of passengers. The question is whether revenue increases. The recent experience in New York

City strongly suggests that a very substantial increase in fares will bring about a loss of revenue. An increase in revenue would not only benefit the driver but bring more cabs onto the street, resulting in better service to the passenger in return for the increased fare.

Fare level aside, net income would be reduced by the cost of a meter, which has been estimated to be anywhere from \$200 to \$500. For approximately 10,000 cabs, this would mean a total expenditure of \$2 million to \$5 million, a cost that would eventually be borne by the passengers. Part-time drivers would be especially hit by the cost and some would stop driving a cab and thus lose what might be an important second source of income. Service during the evening and weekend hours might suffer as a result.

The second consideration concerning a fare system is whether it will induce drivers to drive when they are most needed, that is, during rush hour. Too few drivers are working now during rush hour because they get tied up in traffic without any additional compensation. The present zone system could be improved by adding a rush hour surcharge or extending the snow fare system to the rush hour. This would, however, be a rather crude device compared to the meter. On the other hand, splitting a fare among passengers with different destinations would be more difficult with a meter. This would make group riding among strangers more difficult. This is one of the ways drivers presently make money during rush hour and also render greater service.

The third consideration concerning a fare system is where drivers are induced to seek passengers. At present drivers prefer a large group or a quick two-zone ride. It could be argued that a large group should receive service first, since more people are thus served sooner. In addition, as just mentioned, group riding increases service during rush hour. In any event, group riding is not a necessary part of the zone system.

The present zone system is arbitrary because of the size of the zones. Decreasing their size would make the system less arbitrary and increase the fares for long rides within the District, which are presently the best bargain. Even so, drivers would still make some effort to seek the quick two- or three-zone ride. It could be argued that a large group should receive service first, but under a meter system, drivers would seek the longer ride that was relatively free of traffic. It is not clear that a meter system would exhibit substantially less distortion of this nature than an improved zone system.

The fourth consideration is the ride itself. Here the zone system has a clear advantage on two counts. The first advantage is that a passenger sitting in the front seat would feel safer if there were no meter, especially in this day of recessed dashboards. The second advantage of the zone system is that the driver and the passenger both prefer the fastest route. Even though the time rate on a meter should be less than a driver's average earnings, to give him an incentive to make good time, his incentive would be less than with a zone system, and any time-consuming mistakes he made would be less costly. On the other hand, some passengers would prefer the slower, more direct route if it reduced their fare. In this case the driver would not only lose money, but also time. With a zone system the only disagreements over route concern which route is fastest. Meters would bring addi-

tional disagreements because of the interests of the driver and the passenger would be more divergent.

The fifth consideration is the actual calculation of the fare. The meter is the simplest method, with no room at this moment for either honest mistakes or adding a little extra, which happens perhaps 1 percent of the time under the present system. This is based on my own experience of 500 rides. I figured the driver tried to add something on about five times. Passengers would trust a meter's calculations more than a driver's. On the other hand, the zone fare can be known in advance. It is not necessary that there be an unpleasant surprise at the end of the trip.

The sixth and last consideration is the manner in which fares are recorded. Even though tips could still be understated with a meter and the cost of a meter would be a deductible expense, the Internal Revenue Service would probably benefit from the installation of meters. On the other hand, I have long wondered if meters would result in the usual commission system for nonowners. The present system of a flat rent per 12 hours or day or week has the virtue of making the renter in effect a small businessman.

One also wonders if there might be an institutional relationship between meters and a limitation on the number of cabs. I suppose the usual argument in favor of limitation is to increase the earnings of the reduced number of drivers. This increase is equivalent to a windfall profit which is the market value of a license and is passed on to the next owner. A limitation on the number of licenses would create a more secure market and might for this reason lead to concentration within the business.

I have made no attempt today to discuss other possible systems. They include the straight mileage system which is presently used for interstate rides and can be characterized as somewhere between the zone system and the meter. Another possibility is the circular zone system which has its virtues but suffers from the lack of a practical way to compute the fare. I am sure there are other possibilities.

S. 3091 should be broadened to include modifications of the zone system and other systems besides the meter. The study should not merely determine whether the District should have the same system as most other cities; it should determine the best system, making Washington a model city in this respect as it should be in all respects.

Thank you for this opportunity to speak.

Senator INOUE. I appreciate your testimony very much. It is a very comprehensive one and it should be very helpful to the committee. Under a meter system you suggest there should be a limitation on the number of cabs.

Mr. SCHEIRER. No; I am saying that there might be an institutional relationship between the two. With meters you might have a limitation on the number of cabs. This is the situation in a lot of other cities where there are meters. It may have something to do with the capital equipment. I am getting into areas of my ignorance here, but it seems to be a relevant point when discussing whether or not to study meters.

(A supplemental statement by Mr. Scheirer, submitted for the record, follows:)

R. L. HINES ASSOCIATES, INC.,
TRANSPORTATION AND MANAGEMENT CONSULTANTS,
Washington, D.C., March 14, 1972.

Hon. DANIEL K. INOUE,
U.S. Senate, Washington, D.C.

DEAR SENATOR INOUE: I have had some further thoughts on how a taxi meter system could lead to a limitation on the number of taxis. The most direct way in which this could happen would be if the seller or lessor of the meters were slow to accommodate all comers. This of course would be in restraint of trade.

A more probable way in which the number of cabs could become limited is via a commission system. Meters would make a commission system possible, since total fares would then be known to the owner of the cab. Rents could then be based upon total fares, which would be more equitable than the present flat rent. This of course would be a commission system. Once rent was a fixed percentage of total fares, the owner of the cab would have a vested interest in limiting the number of cabs, in order to increase total fares per car and thereby his rent.

S. 3091 could be broadened to include the possibility of a metropolitan cab system, thereby eliminating some of the trips without passengers made by both D.C. and suburban cabs. The bill could also be broadened to include the possibility of opening up National and Dulles airports to D.C. and suburban cabs for the same reason. Airport cabs pay for their franchise and charge higher fares. The difference in fares thus amounts to an airport user tax paid only by those unaware of the differential.

Some mention was made in the hearing that raising cab fares would increase bus patronage. It would also of course increase the number of automobiles.

I hope it will be possible to include these additional remarks in the record. Thank you again for the opportunity to testify.

Sincerely,

WILLIAM K. SCHEIRER,
Senior Economist.

Senator INOUE. Are you in favor of this study?

Mr. SCHEIRER. Yes; I am in favor of this study. But I will be as forthright as you want. Actually, I feel a little funny being a member of a consulting firm and being in favor of a study, but I decided to testify for the firm since being a member of the firm prohibited me from testifying for citizen groups.

Senator INOUE. Do you think the study by the Public Service Commission would be in the best interests?

Mr. SCHEIRER. Yes; if done properly. As I tried to point out there is a number of defects in the present system and there are a lot of things that can be done to make things more fair to a driver and to a passenger and everybody would be happier. I am not convinced that meters are the answer and that is why I suggest the study should be done properly.

Senator INOUE. Do you believe the Public Service Commission would be sufficiently objective in its approach and in its findings?

Mr. SCHEIRER. I am not close enough to the Public Service Commission to make a statement on that.

Senator INOUE. Then you are not certain as to whether the findings will be fair.

Mr. SCHEIRER. My philosophy is to trust people unless I know otherwise. There may be things about the Public Service Commission that I don't know that say the study would not be objective but in the absence of this information I would be willing to assume it would be an objective study.

Senator INOUE. I thank you very much, sir.

Our next witness is Mr. Hector Sanchez, a part-time cabdriver and a full-time student. Mr. Sanchez, I welcome you, sir.

STATEMENT OF HECTOR SANCHEZ, PART-TIME CABDRIVER,
FULL-TIME STUDENT

Mr. SANCHEZ. Thank you, Mr. Chairman.

Ladies and gentlemen, my name is Hector Sanchez. I am a part-time cabdriver claiming to represent no one but myself. As a full-time university student I feel I can be candid, since someday I have a full-fledged career to look forward to. At the same time I am concerned about the wages some of my fellow cabdrivers are receiving and about the terrible driving conditions some of us have to go through in order to make a decent living. Most of all, I am concerned about the cab-riding public of the District of Columbia.

I quote from a Washington Post editorial of November 13, 1971:

In Washington, the term "taxicab rider" also denotes a proviso in the annual appropriations bill which makes it exceedingly difficult for the taxi driver to make a decent living. This tends to promote instant animosity between the driver and the person in the back seat . . .

(Complete editorial follows:)

The Washington Post

AN INDEPENDENT NEWSPAPER

...

SATURDAY, NOVEMBER 13, 1971

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The Taxicab Rider

In other cities, a taxicab rider is the person in the back seat who provides the taxi driver with a livelihood as well as a captive audience, in exchange for transportation as well as information on just about anything he cares or doesn't care to know. The arrangement usually assures instant affinity between the two. It enriches the lives of all concerned and provides grist for serious political analyses as well as many contemporary novels.

In Washington, however, things are more complicated than that. In this city, the term "taxicab rider" also denotes a proviso in the annual appropriations bill which makes it exceedingly difficult for the taxi driver to make a decent living. This tends to promote instant animosity between the driver and the person in the back seat to the detriment not only of political analysis and local fiction, but also of the city's efficiency as a national capital and tourist center. The provision says that the installation of taxi meters may not be officially discussed in this colony. Instead, cab fares are regulated in accordance with zones laid out for the convenience of Congress. This enables congressmen (and others working on the Hill) to take a cab to lunch in a downtown restaurant or club for the 75-cent first zone fare—if they can find a cab, that is. The last time anyone gave a more altruistic explanation for the congressional rider was in 1933, when it was first introduced by Rep. Clarence Cannon. Mr. Cannon thought that what with the Depression and all, taxicab operators ought to be spared the expense of installing meters. Nowadays the rider is being tacked on in closed sessions of the House Appropriations Subcommittee on the District of Columbia, headed by Rep. William H. Natcher, who won't say why or exactly who does the tacking.

The cost of a taxicab meter today is about \$250. But without recent hearings on the subject there is no way to tell how taxi operators feel about installing them now that the Depression is over. They are an independent lot and have no acknowledged spokesman. One indication that they are not very happy about the present system is that their number has dropped from more than 11,000 two years ago to around 9,000 this year. Two-thirds of that number work only part time. Half of them are loosely organized in 60 fleets and associations. The rest work alone. A license costs \$25. The average income, according to the latest statistics, is \$2.47 an hour.

To earn this or more under the zone system, a

taxi driver must carefully concentrate on short, lucrative downtown trips and avoid the less profitable long hauls. He can't afford to get bogged down in traffic jams which is why it is estimated that only 1,300 cabs are on the street during morning rush hour and 1,600 during the evening peak and some of those are part-timers on the way home. He has reason to be weary of holdups and excursions into high crime areas. In short, Washington cabbies often fear that their fares may take them for a ride.

The fare, in turn, is less than well disposed toward his driver after several taxis have passed him up, not liking his looks or presumed destination. He resents the whole essential institution of taxicabs, in fact, after the usual ordeal at Union Station. What happens there, if you haven't experienced it, is that a dispatcher with the kindly manner of a drill sergeant first of all, to render him helpless, takes the baggage of the tired traveler yearning to go home or to his hotel. The sergeant then bullies him into a cab where he must await the arrival of additional travelers who may or may not wish to go in the same general direction. This wait is often long and the group ride can turn into a lengthy exploration of this metropolitan area. But what can you do? The Public Service Commission rules say that it is up to the driver's discretion whether there will be group riding at bus and air terminals, RFK Stadium, the National Guard Armory and Union Station, and during rush hour and snow emergencies. The rules also say that no driver shall refuse to transport a passenger while holding his taxicab for hire; that the first passenger shall determine the general direction of a group ride; that no one is to be delayed for more than two minutes to secure additional riders; and that the driver is not to smoke or play the radio without the passenger's consent.

But few passengers complain. Out-of-town visitors don't have the time and Washingtonians know, or should, that the fault lies with the congressional "taxicab rider" and not with the driver. During the past year, at any rate, only 370 complaints were filed with the Hackers' Review Board. There would surely be even fewer than that if drivers were fairly paid for their work whether it is hauling one passenger or a group, for a short distance or a long one. Nor need there be any tension between passenger and driver. The two, it seems to us, have a common interest in a joint effort to persuade Congress to abolish the zone system and help make the Washington taxicab industry as prosperous and efficient as any in the world.

Mr. SANCHEZ. From my own wages I would imagine the average pay for a cabdriver runs about \$2.50 an hour including tips. A D.C. Transit busdriver or a Metro sweeper easily makes twice as much. True, a cabdriver in the District can drive whenever he pleases, but the driving conditions are terribly bad. Not only does one have to constantly fear and suspect every passenger before picking the passenger up, but the passengers in turn seem to suspect us of cheating them of their pennies. I believe a taxi meter would eliminate this perennial mistrust on the part of the passenger.

Second, regardless of what Chief Jerry Wilson tells us about the decreasing crime statistics in the District, you couldn't convince the average driver that there is less crime in the city. Why? We, the taxicab drivers see it daily in the form of the junkies we transport, in the form of pimps and prostitutes; we know about the numbers, fencing, and bootlegging operations in the District. Based on a D.C. Corrections Department estimate, there are about 15,000 addicts in this city with an average daily habit of \$25 each. Can you blame the cabdriver who refuses to transport passengers, particularly at night, to the high crime areas of this city, for example, southeast and the 14th Street corridor. Which person in his right mind would want to get knocked off by some addict? After all, we have only earned \$2.50 an hour that day.

What about the D.C. passenger who cannot hail a cab during rush hours? Did you know that a fare can go for 4.5 miles from one end of Zone 1, downtown at 18th and Florida to this side of the Capitol for a measly 75 cents? And during rush hour it takes about 45 minutes to drive that distance in downtown. After paying for your own gasoline and cab rental the cabdriver ends up making only half his regular fare during rush-hour traffic, that is about \$1.25-\$1.50 an hour; less than the minimum wage. I believe the taxi meters would eliminate this atrocious inequity. No wonder the number of hackers in the District has decreased from 11,000 2 years ago to about 9,000 presently.

To earn \$2.50 an hour under the zone system a cabdriver must concentrate carefully on short, lucrative downtown trips and avoid the less profitable long hauls. We cannot afford to get bogged down in traffic jams. Therefore, it is estimated that only 1,300 cabs are on the street during morning rush hour and 1,600 during the evening peak.

Finally, the taximeter would eliminate the ever-present temptation for a cabdriver to cheat on his passenger, especially if the fare should be a non-Washingtonian. The cabdriver could then truly become an ambassador of good will for our Nation's Capital. Also, I am wondering, and I don't know the answer to this question: What becomes of the cabdriver who spends his life driving and then finds himself ineligible for social security benefits.

I strongly urge this committee to authorize the Public Service Commission to conduct this study on the District of Columbia cab industry. Forty years is a long wait and the depression of 1932 is behind us. I want the cabdriver to be viewed by our society as an upright and conscientious citizen.

In some European countries, such as England, cabdriving is truly an art and the driver respected as a professional. Let not the American public in the District view us, taxi drivers, as any less.

Thank you for your attention.

Senator INOUE. Mr. Sanchez, I thank you very much.

May I ask you a few questions?

Mr. SANCHEZ. Yes; please.

Senator INOUE. We have heard testimony from two gentlemen who testified that they represent 80 percent of the drivers of this city. They were very much against this measure which would authorize the Public Service Commission to conduct a study.

Mr. SANCHEZ. I heard the statement. I was in disagreement when I heard that 80-percent figure. I don't know what percentage they actually represent.

I did read the letter which these two gentlemen wrote to the Evening Star. I believe it was last week. I, of course, am not represented by anybody. As I said, I only drive on weekends. I pay about \$9 a day for my taxi and then I have to pay for my own gasoline. So I do pay dues to my particular company. I don't know. I can't say or I can't really claim that the two gentlemen represent me. I don't know if you read the letters that Mr. Wright and Mr. Matthews wrote to the Star. They made a statement which I don't, again, know where they got their figures.

They stated in their letter to the Star 90 percent—and again I don't know where they would project such a high figure. I don't know if anybody knows the figure.

Senator INOUE. I thank you very much again, Mr. Sanchez. You have been very helpful, sir.

Mr. SANCHEZ. Thank you.

Senator INOUE. Our next witness is Mr. Irving Schlaifer, chairman of the Emergency Taxicab Committee.

Welcome, sir.

STATEMENT OF IRVING SCHLAIFER, CHAIRMAN, EMERGENCY TAXICAB COMMITTEE

Mr. SCHLAIFER. Good morning, Mr. Chairman. I would like to read from my statement dated today, March 7, 1972.

Mr. Chairman and members of this committee, my name is Irving Schlaifer. I live at 1344 Kennedy Street, N.W., Washington, D.C. 20011. I am a cab-owner driver. I have been a cabdriver in Washington, D.C., for over 25 years. I am chairman of the emergency taxicab committee. Its membership is composed of those in the taxicab industry that may from time to time find a need, that through it, they can voice their opinions and take a stand on the various problems that they must face.

The selfishly motivated interests have never stopped trying to get rid of the appropriations rider that prohibits the use of taximeters. These selfishly motivated interests have tried every trick in the book to have it removed. We are here to ask that this ban on taximeters continue to remain in the District of Columbia Appropriations Act.

In this day and age, we are hearing more and more about consumer protection. Laws of all kinds are being passed that strengthen consumer protection. That is exactly what the flat-rate zone system is all about. It is the only method of computing taxi fares that gives the cab passengers maximum protection by making it possible for them to know in advance the exact price of their ride before it is taken.

Our approach to this problem has always been, let us work with the regulations that we now have, and that with these regulations we can make a new and better taxi zone system.

We proposed a floating zone system, the mileage rate zone system at an informal hearing to the District of Columbia Public Service Commission in 1958. We proposed it at the taxi rate hearings in 1963. We proposed it again at the taxi rate hearings in 1968-69. The PSC has deliberately refused to adopt any new zone system that would prevent the eventual use of taximeters.

Mr. Chairman, and members of this committee, the PSC has been corrupt in its treatment of the Congress, the taxicab industry, and the cab-riding public.

It is not necessary to have Senate bill 3091, authorizing the PSC to conduct a study with respect to the desirability and feasibility of requiring the installation of meters in taxicabs in the District of Columbia. We ask that this bill be dropped.

All that is needed is to simply bring up to date the intent of the rider that prohibits the use of taximeters. The rider does make it clear that a system of uniform zones shall be used instead. All that is needed is for your committee to say that this rider can and does include the right to make use of the mileage rate zone system.

The public must be served and the cabdriver must be adequately paid for the service he provides. Your committee must demand that the PSC stop dragging its feet and that it immediately correct every intolerable situation that they have deliberately created.

Your committee must insist that the PSC call for an immediate taxi rate hearing, and that the mileage rate zone system be given every possible consideration for its immediate adoption.

We have a number of exhibits that we wish to be made part of this record.

We would like to place in the record our letter to you dated March 1, 1972, and our letters to the editor, dated January 26, 1972.

Senator INOUE. It is so ordered.

(The material follows:)

Wednesday, March 1, 1972

Senator Daniel K. Inouye
Chairman, D. C. Appropriations Subcommittee
Room 442, Senate Office Building
Washington, D. C. 20510

In Re: Meters vs Zones.

Dear Senator Inouye:

I wish to appear as a witness before your Committee in behalf of the Emergency Taxicab Committee on Tuesday, March 7, 1972, 11:30 A. M., Room 6226, Senate Office Building.

The D. C. Public Service Commission has deliberately manipulated their control of the Taxi Industry, over the last 39 years, to force it in the direction of taximeters and limitation. The P. S. C. has always had a history of wanting meters. That is why we would object very vehemently to any hearings that would let the P. S. C. determine whether we should have meters or zones. It would be like asking the fox to guard the hen house.

The P. S. C. has always been burned up at Congress for tying up its hands and preventing them from ordering the use of meters and ordering limitation of taxicabs. The P. S. C. has always had all the authority it needs to make the needed changes to correct all of the problems we are faced with today. Since the P. S. C. cannot have its way, it has thumbed its nose at Congress and has refused to carry out its responsibilities. The attitude of the P. S. C. is, that if they cannot have their way 100%, then they are going to do as little as possible for the taxi industry and the cab-riding public. The P. S. C. has taken the attitude that they are not working for you, but, that you are working for them.

They have done this by keeping the taxi zone system, now in use, as rotten as they can, for as long as they can. They want to make everyone unhappy and dissatisfied with it. They want everyone to complain that something be done about it, in the hopes that they would demand that taximeters replace the zone system. All of this has backfired in the face of the P. S. C.

Now, it looks like the P. S. C. will finally succeed in its scheming. The ever-increasing traffic congestion, the ever-increasing number of long unprofitable cab trips we must run and the construction of the new subway system, means that the taxi zone system now in use, is fast becoming obsolete.

We have finally reached the end of the road with it. Which way do we turn? Taximeters, or, the mileage rate zone system? Taximeters would be a \$5,000,000 mistake. It would wreck the taxi industry and put thousands of people out of work. The mileage rate zone system is the best answer and solution to this problem. It will not wreck the taxi industry, or, put thousands of people out of work.

The P. S. C. has known about the mileage rate zone system for over 15 years. It has deliberately refused to make use of it. It was first proposed at an informal hearing in 1958. Its adoption was proposed at a rate hearing in 1962. Its adoption was again proposed at a rate hearing in 1968.

Let us now look at why some of our cab drivers say they want taximeters. In 1961, the Washington Metropolitan Area Transit Commission, thru Order #67, first authorized our interstate mileage rate using the odometer from which a determination of the distance travelled could be reached. We have used the interstate mileage/^{rate} for over 10 years. Now, the cab driver wants to be paid for the distance he travels on all trips. He now finds it harder and harder to quietly accept the taxi zone system in D. C. In plain words, he is fed up with it!

All we need here in D. C. is a mileage rate zone system, wherein, the passenger pays for the distance he travels. Once we have that, these same cab drivers that now want taximeters will forget about it completely. With it, the cab passenger will pay for the service he gets and the cab driver will give the service he is paid for.

Page 2.

The cab driver is sick and tired of being told that he must take the bad trips with the good trips. He now wants a taxi zone system wherein every trip will be a good trip. He now wants a taxi zone system wherein he can make more than the \$2.00 to \$3.00 an hour he now earns. He needs a taxi zone system wherein he can make \$5.00 an hour net take home pay.

The D. C. Transit bus driver earns approximately \$5.00 an hour. If you add in his overtime pay, holiday pay, vacation pay, sick leave and other fringe benefits, his pay is closer to \$10.00 an hour. So, if the cab driver can earn \$5.00 an hour net take home pay with the mileage rate zone system, he is still only making half of what his counterpart, the D. C. Transit bus driver is earning.

Senator Inouye, we ask that you call upon the P. S. C. to take every step necessary to immediately adopt the mileage rate zone system.

Sincerely yours,

Irving Schlaifer

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: TUCKERMAN 2-8377

Please Note: I am enclosing a number of items that relate directly to this problem.

1. Copy of my Letters to the Editor, dated, January 26, 1972, sent to The Washington Post, The Washington Daily News, The Washington Afro-American and The Evening Star. It was published in part in The Washington Daily News, Wednesday, February 2, 1972; in its entirety in The Washington Afro-American, Friday, February 26, 1972; almost in its entirety (one small paragraph left out) in The Washington Post, Tuesday, February 29, 1972; and, in part in The Evening Star, Tuesday, February 29, 1972. Xerox copies of these news items are enclosed.
2. Xerox copy of my Letters to the Editor, published in April of 1956 in the News, Post, and, Star related to the mileage rate zone system.
3. Copy of my mileage rate zone system map and suggested rates, plus, a copy of the taxi zone map now in use showing it as a monstrosity and jigsaw puzzle.

Wednesday, January 26, 1972

Letters to the Editor
The Washington Post
1515 "L" St., N. W.
Washington, D. C. 20005

Dear Sir:

The late Rep. Clarence Canon of Missouri and the present Rep. William H. Natcher of Kentucky should be praised for seeing to it that the use of taximeters in the D. C. cabs is absolutely prohibited. The flat-rate zone system that is required to determine the taxi fare in D. C. is far superior to any taximeter.

Our once excellent taxi service is no longer so. The cab riding public just does not know who to blame. They are being told to blame Congress. This is absolutely wrong! The entire blame should and must be placed on the D. C. Public Service Commission.

This Commission has just virtually sat on its hands for the last 39 years, since 1933, doing as little as possible for the Taxi Industry that it is supposed to regulate. This Commission has shut its eyes to the fact that this industry now has 80% of its drivers working part-time, when it used to have 80% of its drivers working full time.

This fact alone, should be a loud and clear signal to this Commission that all is not well with the Taxicab Industry. Must we become an industry of 100% part-time drivers before this Commission finally wakes up to the fact that it is not doing its job. Congress should demand that this Commission get busy and give the Taxicab Industry whatever it needs to do its job. It can be done without taximeters. All that we need is a whole new zone system and a whole new rate package to go with it.

Naturally, the taximeter manufacturers want the D. C. flat-rate zone system abolished, and, taximeters made mandatory. They would then have a \$5,000,000 market in the sales and service of their unneeded and unwanted products forced upon the approximately 10,000 D. C. cabs. The overwhelming majority of D. C. cab drivers are absolutely opposed to the installation of taximeters.

The taximeter is the legal right to steal. It is a "one-arm bandit", once the driver pulls the lever, the "house" always wins. It is nothing more than a guessing box. It always becomes a guessing game as to what the final fare will be. With it, you do not know the exact price of any given trip until it is completed. With it, identical trips do not always have identical rates.

The gimmick of the taximeter is to make carelessness profitable, whether it be intentional or unintentional. It was never intended to protect the cab-riding public. It is a public-be-damned device. The public has been deliberately brainwashed into believing that it protects them. Nothing could be further from the truth.

The taximeter is a fraudulent device. We would not be a bit surprised that some day soon, the Federal Trade Commission will declare it to be a fraudulent device and outlaw its use.

It is only with the flat-rate zone system, as used here in D. C., that the cab-riding public can get maximum protection. First, with it, the cab passenger can always know in advance the exact price of his trip before it is taken, and second, identical trips will always have identical rates. What better consumer protection can you have, than this?

Page 2.

We are well aware of what is wrong with the flat-rate zone system now in use. The use of the rigidly fixed boundary lines made up of arbitrarily selected streets, creates 26 zone areas of unequal size. It is a monstrosity and a jigsaw puzzle. With it, a 6 block trip can cost as little as 60¢, or, can cost as much as \$1.45. With it, a 5 mile trip can cost as little as 75¢. With it, you make an exorbitant profit on one trip, only to have it wiped out on the next trip.

The only possible and satisfactory solution to this problem, is to create zone areas of equal size, wherein, the cab-riding public pays for the distance he travels. It can be best achieved by adopting a floating zone system, the mileage rate zone system, 70¢ for the first mile, 30¢ for each additional half-mile, and, 30¢ for each additional passenger.

The mileage rate zone system will decrease the rates where needed, increase the rates where needed, and, leave the rates unchanged where needed. Sixty percent of the cab-riding public will pay no increase in rates.

The mileage rate zone system is a well established floating zone fare system. It is used to compute parcel post rates, airline rates, trucking rates and telephone rates.

The mileage rate zone system complies with the law of Congress, calling for a system of uniform zones. The mileage rate zone system will make the taximeter obsolete.

The D. C. Public Service Commission has all of the authority it now needs to have the rigidly fixed boundary line system of zone areas of unequal size, replaced with zone areas of equal size. Once, the mileage rate zone system is adopted and in use, the cab-riding public will be served on a first-come, first-serve basis.

Sincerely yours,

Irving Schlaifer

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011

Washington Afro-American



May we let our light so shine that it will illuminate that which is good and beautiful, and magnify our Father which is in heaven. May we stand strong and firm against despair, falsehood, rudeness, hatred, pessimism and prejudice.—Carl Murphy, Editor-Publisher—1889-1967

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FEBRUARY 26, 1972

Our Readers Say:

Readers are invited to submit letters for publication. All letters must be signed, but signature will be omitted if requested. Letters should be no more than 300 words in length. Address them to "Our Readers Say," Washington AFRO-AMERICAN, 1800 11th St., N.W., Washington. Second class postage paid at Washington, D.C.

No Taximeters, Please!

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This Commission has just virtually sat on hits hands for the last 39 years, since 1933, doing as little as possible for the Taxi Industry that it is supposed to regulate. This Commission has shut its eyes to the fact that this industry now has 80 per cent of its drivers working part-time, when it used to have 80 per cent of its drivers working full time.

This fact alone, should be a loud and clear signal to this Commission that all is not well with the Taxicab Industry. Must we become an industry of 100 per cent part-time drivers before this Commission finally wakes up to the fact that it is not doing its job? Congress should demand that this Commission get busy and give the Taxi Industry whatever it needs to do its job.

It can be done without taximeters. All that we need is a whole new zone system and a whole new rate package to go with it.

Naturally, the taximeter manufacturers want the D.C. flat-rate zone system abolished, and, taximeters made mandatory. They would then have a \$5,000,000

market in the sales and service of their unneeded and unwanted products forced upon the approximately 10,000 D.C. cabs. The overwhelming majority of D.C. cab drivers are absolutely opposed to installation of taximeters.

The taximeter is the legal right to steal. It is a 'one-arm bandit,' once the driver pulls the lever, the 'house' always wins. It is nothing more than a guessing box. It always becomes a guessing game as to what the final fare will be. With it, you do not know the exact price of any given trip until it is completed. With it, identical trips do not always have identical rates.

The gimmick of the taximeter is to make carelessness profitable, whether it be intentional or unintentional. It was never intended to protect the cab-riding public. It is public-be-damned device. The public has been deliberately brainwashed into believing that it protects them. Nothing could be further from the truth.

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The only possible and satisfactory solution to this problem, is to create zone areas of equal size, wherein, the cab-riding public pays for the distance he travels. It can be best achieved by adopting a floating zone system, the mileage rate zone system, 70 cents for the first mile, 30 cents for each additional half-mile, and 30 cents for each additional passenger.

The mileage rate zone system will decrease the rates where needed, increase the rates where needed, and, leave the rates unchanged where needed. Sixty per cent of the cab-riding public will pay no increase in rates.

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IRVING SCHLAIFER, Chairman
Emergency Taxicab Committee

THE WASHINGTON POST Tuesday, Feb. 29, 1972 A 19

Letters To The Editor

The Meter vs. the Zone System—and the Quality of Taxi Service

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IRVING SCHLAIFER,
Chairman, Emergency Taxicab Committee.
Washington.

A-6 THE EVENING STAR
Washington, D. C., Tuesday, February 29, 1972

Letters to the Editor

Metered Cabs

SIR: The late Representative Clarence Cannon of Missouri and the present Representative William H. Natcher of Kentucky should be praised for seeing to it that the use of taximeters in the District of Columbia cabs is absolutely prohibited. The flat-rate zone system that is required to determine the taxi fare here is far superior to any taximeter.

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Irving Schlaifer,
Chairman,
Emergency Taxicab Committee.

Letters to The Editor

Letters to the Editor must bear the writer's name, address and phone number. Names will be withheld if the writer so requests. The Editor reserves the right to condense letters.

Mileage zones for taxis

THE late Rep. Clarence Canon of Missouri and the present Rep. William H. Natcher of Kentucky should be praised for seeing to it the use of taximeters in the D. C. cabs is absolutely prohibited. The flat-rate zone system that is required to determine the taxi fare in D. C. is far superior to any taximeter.

Our once excellent taxi service is no longer so. The cab riding public just does not know who to blame. They are being told to blame Congress. This is absolutely wrong! The entire blame should and must be placed on the D. C. Public Service Commission.

Naturally, the taximeter manufacturers want the D. C. flat-rate zone system abolished and meters made mandatory. They would then have a \$5,000,000 market in the sales and service of their unneeded and unwanted products forced upon the approximately 10,000 D. C. cabs. The overwhelming majority of D. C. cab drivers are absolutely opposed to installation of taximeters.

It is only with the flat-rate zone system, as used here, that the cab-riding public can get maximum protection. First, with it the passen-

ger can always know in advance the exact price of the trip before it is taken, and second, identical trips will always have identical rates. What better consumer protection can you have?

We are well aware of what is wrong with the flat-rate zone system now in use. The use of the rigidly fixed boundary lines made up of arbitrarily selected streets creates 26 zone areas of unequal size. It is a monstrosity and a jigsaw puzzle. With it, a six block trip can cost as little as 60c, or, can cost as much as \$1.45. With it, a five mile trip can cost as little as 75c. With it, you make an absorbent profit on one trip, only to have it wiped out on the next trip.

The only possible and satisfactory solution to this problem is to create zone areas of equal size, wherein the cab-riding public pays for the distance he travels. It can be best achieved by adopting a floating zone system, the mileage rate zone system, 70c for the first mile, 30c for each additional half-mile, and, 30c for each additional passenger.

The mileage rate zone system will decrease the rates where needed, increase the rates where needed, and leave the rates unchanged where needed. Sixty percent of the cab-riding public will pay no increase in rates.

The mileage-rate zone system complies with the law of Congress, calling for a system of uniform zones. The mileage-rate zone system will make the taximeter obsolete.

The D. C. Public Service Commission has all of the authority it now needs to have the rigidly fixed boundary line system of zone areas of unequal size, replaced with zone areas of equal size. Once, the mileage rate zone system is adopted and in use, the cab-riding public will be served on a first-come, first-serve basis.

IRVING SCHLAIFER
Emergency Taxicab Committee

THE WASHINGTON DAILY NEWS, FRIDAY, APRIL 13, 1956—45

Flexible Circle Zone System Is Best for Cabs

THE need for an overall regulatory body to control cab rates throughout the Metropolitan Area of Washington is urgent.

The hodgepodge of varying rates, whether it be determined by taxi meters or by rigidly fixed zone boundaries, hurts the cab industry thru loss of cab patrons. This crazy-quilt pattern of differing ways of determining the cost of a cab trip, is a headache to the public officials, the passengers, the cab companies and the cab drivers.

I, a cab driver for over 10 years, am more concerned about what method is best for the cab passenger.

The taxi meter has always been unpopular with the cab passenger. The majority of cab drivers are only too glad that Congress had the foresight, years ago, to prevent the taxi meter from becoming a reality. The zone system, along with group riding, as used in Washington, and in a great number of communities thruout the country, is unquestionably far more popular. The "KEY" to this popularity, is due to the fact that the passenger knows the cost of his trip before it is taken. With the taxi meter, this would not be true.

The best solution to the dilemma of eliminating unreasonably high and surprisingly low cab rates,

without resorting to the use of the antique taxi meter and yet retain the "KEY," is the Flexible Circle Zone System. The Circle Zone System is a point-to-point system. The shortest distance between two points is a straight line. This straight line can be easily measured with a ruler. In most city maps one inch is equal to one mile. A rate could be fixed at 40 cents per inch mile or 5 cents per eighth inch. A cab trip could easily be measured. Should trip "A" be $4\frac{1}{4}$ ", the cost would be \$1.65; should trip "B" be $2\frac{1}{4}$ ", the cost would be \$1; should trip "C" be $6\frac{1}{4}$ ", the cost would be \$2.50. With the Circle Zone System a uniform and easily understood method of determining cab fares is possible.

The home is where the cab trips most often originate or terminate. In using the Circle Zone System, it becomes a simple matter for the cab passenger to mark off one inch circles on a map using his home as a center point. It then provides him a "KEY" or an accurate method of knowing the cost, in advance, of any cab trip they choose to take. In the case of a stranger at a bus, railroad or airport terminal a similar map at the information desk, would be easy to use. The same thing could be done at cab companies, police departments, hotels, offices, and stores. The cab driver would not find it difficult to use a Circle Zone System and in a short time would be able to accurately know the cost of the trip because many trips repeat themselves frequently.

IRVING SCHLAIFER.
Owner-Driver
Guide Service Taxicab No. 1.

THE EVENING STAR, Washington, D. C. A-26

THURSDAY, APRIL 19, 1956

Taxi Rules

Alex R. Preston did an excellent reporting job concerning the need for an overall regulatory body to control cab rates throughout the Metropolitan Area of Washington.

The hodgepodge of varying rates, whether it be determined by taxi meters or by rigidly fixed zone boundaries, hurts the cab industry through loss of cab patrons. This crazy-quilt pattern of differing ways of determining the cost of a cab trip is a headache to public officials, passengers, cab companies and cab drivers.

I, a cab driver for over 10 years, am more concerned about what method is best for the passenger.

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try, is unquestionably far more popular. The "key" to this popularity is due to the fact that the passenger knows the cost of his trip before it is taken.

The best solution to this dilemma of eliminating unreasonably high and surprisingly low cab rates, without resorting to the use of the antique taxi meter and yet retain the "key," is the flexible circle zone system. The circle zone system is a point-to-point system. The shortest distance between two points is a straight line. This straight line can be easily measured with a ruler. On most city maps one inch is equal to one mile. A rate could be fixed at 40 cents per inch mile or 5 cents per eighth inch. A cab trip could easily be measured. Should trip "A" be $4\frac{1}{4}$ ", the cost would be \$1.65; should trip "B" be $2\frac{1}{4}$ ", the cost would be \$1; should trip "C" be $6\frac{1}{4}$ ", the cost would be \$2.50. With the circle zone system a uniform and easily understood method of determining cab fares is possible.

Irving Schlaifer.

THE WASHINGTON POST AND TIMES HERALD
*A Saturday, April 21, 1956 PAGE 14

Letters to the Editor

Taxi Fare Regulation

The need for an over-all regulatory body to control cab rates throughout the Metropolitan Area of Washington is urgent. The hodgepodge of varying rates, whether determined by taxi meters or by rigidly fixed zone boundaries, hurts the cab industry through loss of cab patrons. This crazy-quilt pattern of differing ways of determining the cost of a cab trip, is a headache to the public officials, the passengers, the cab companies and the cab drivers.

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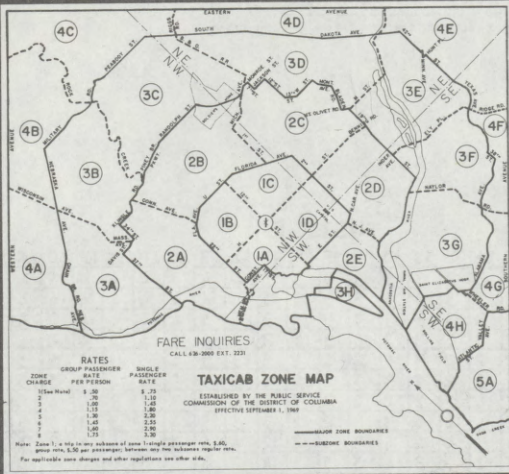
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It can easily be seen that the home is where the cab trips most often originate or terminate. In using the Circle Zone System, it then becomes a simple matter for the cab passenger to mark off one inch circles on a map using his home as a center point. It then provides him a "key" or an accurate method of knowing the cost, in advance, of any cab trip he chooses to take.

In the case of a stranger at a bus, railroad or airport terminal a similar map at the information desk, would be easy to use. The same thing could be done at cab companies, police departments, hotels, offices, and stores. The cab driver would not find it difficult to use a Circle Zone System and in a short time would be able to accurately know the cost of the trip because many trips repeat themselves frequently.

IRVING SCHLAIFER.
Washington.

THIS MUST STOP !



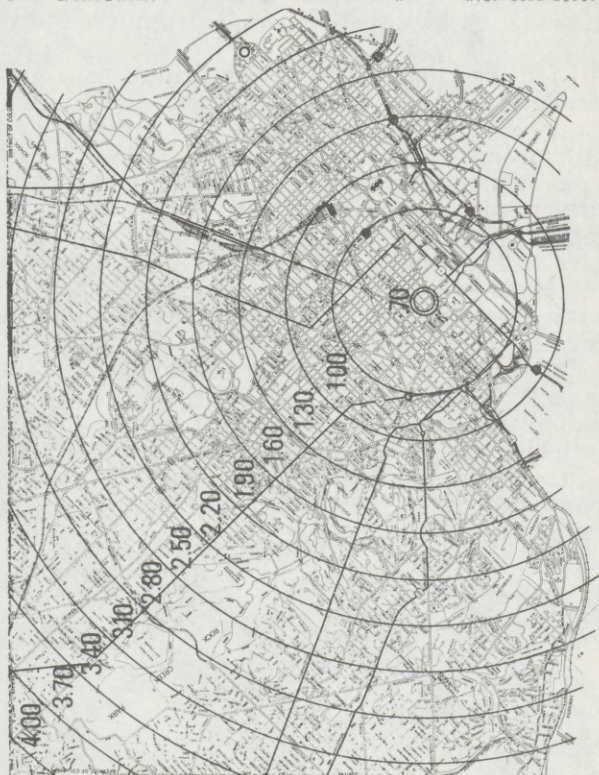
	Zone Charge	Group Passenger Rate Per Passenger	Single Passenger Rate
A ride confined to any subzone of zone 1	1	\$.50	\$.75
A ride between any of the subzones of zone 1	1	\$.50	\$.75
A ride confined to any subzone of zones 2, 3, 4, or 5	1	1.00	1.45
A ride between a point in zone 1 and a point in zone 2	2	1.30	2.20
A ride between a point in zone 1 and a point in zone 3	3	1.30	2.20
A ride between a point in zone 1 and a point in zone 4	4	1.30	2.20
A ride between a point in zone 1 and a point in zone 5	5	1.30	2.20
Rides originating in one subzone and terminating in another, the zone charge is shown below:			

TO SUBZONE

		1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	3F	3G	3H	4A	4B	4C	4D	4E	4F	4G	4H	5A	
FROM SUBZONE	1A	-	1	1	1	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	1A
	1B	1	-	1	1	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	1B
	1C	1	1	-	1	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	1C
	1D	1	1	1	-	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	1D
	2A	2	2	2	2	1	2	3	3	2	2	2	3	4	4	4	3	3	3	3	4	5	5	5	5	5	6	2A
	2B	2	2	2	2	2	1	2	3	3	3	2	2	3	3	4	4	4	3	3	3	4	4	5	5	5	6	2B
	2C	2	2	2	2	3	2	1	2	3	4	3	2	2	3	4	4	3	3	3	3	4	4	4	4	5	2C	
	2D	2	2	2	2	3	3	2	1	2	4	4	3	3	2	2	3	5	5	4	4	3	3	3	3	4	2D	
	2E	2	2	2	2	2	3	3	2	1	3	4	4	4	3	3	3	2	2	4	5	5	5	4	4	3	3	2E
	3A	3	3	3	3	2	3	4	4	3	1	2	3	4	5	5	5	4	2	3	3	5	6	6	6	6	7	3A
	3B	3	3	3	3	2	2	3	4	4	2	1	2	3	4	5	5	2	2	2	2	4	6	6	6	6	7	3B
	3C	3	3	3	3	3	2	2	3	4	3	2	1	2	3	5	5	5	3	2	2	3	4	6	6	6	7	3C
	3D	3	3	3	3	4	3	2	3	4	4	3	2	1	3	4	4	5	5	4	3	2	4	5	5	5	6	3D
	3E	3	3	3	3	4	3	2	2	3	5	4	3	3	1	2	3	4	6	6	4	3	2	2	3	4	5	3E
	3F	3	3	3	3	4	4	3	2	3	5	5	5	4	2	1	2	4	6	6	6	4	3	2	2	3	4	3F
	3G	3	3	3	3	4	4	3	2	2	5	5	5	4	3	2	1	3	6	6	6	5	2	2	2	3	3G	
3H	3	3	3	3	3	4	4	3	2	4	5	5	5	4	4	3	1	5	6	6	6	5	5	4	4	5	3H	
4A	4	4	4	4	3	3	4	5	4	2	2	3	5	6	6	5	1	2	3	5	7	7	7	7	8	4A		
4B	4	4	4	4	3	3	4	5	5	3	2	2	4	6	6	6	2	1	2	4	6	7	7	7	8	4B		
4C	4	4	4	4	4	3	3	4	5	3	2	2	3	4	6	6	3	2	1	2	5	6	7	7	8	4C		
4D	4	4	4	4	5	4	3	4	5	5	4	3	2	3	4	5	6	5	4	2	1	4	5	6	6	7	4D	
4E	4	4	4	4	5	4	3	3	4	6	6	4	4	2	3	4	5	7	6	5	4	1	2	3	4	4E		
4F	4	4	4	4	5	5	4	3	4	6	6	6	5	2	2	5	7	7	6	5	2	1	2	3	3	4F		
4G	4	4	4	4	5	5	4	3	3	6	6	6	5	3	2	2	4	7	7	7	6	3	2	1	2	2	4G	
4H	4	4	4	4	5	5	4	3	3	6	6	6	5	4	3	2	4	7	7	7	6	4	3	2	1	2	4H	
5A	5	5	5	5	6	6	5	4	3	7	7	7	6	5	4	3	5	8	8	8	4	3	2	2	1	2	5A	
		1A	1B	1C	1D	2A	2B	2C	2D	2E	3A	3B	3C	3D	3E	3F	3G	3H	4A	4B	4C	4D	4E	4F	4G	4H	5A	

[illegible]

The mileage zone rate for this map starts within the small double circle at 14th & "F" St., N.W.



THIS MUST START!

MAKE IT OFFICIAL!

Use the self-correcting mileage tax map to determine if you are REMITTED TO PAY THE TAX. If you are REMITTED TO PAY THE TAX, use the correct mileage zone rate on the map to determine the correct mileage zone rate to use. The correct mileage zone rate can now be determined by the street or highway number on the above tax free rule. The correct mileage zone rate can now be determined by the street or highway number on the above tax free rule. The correct mileage zone rate can now be determined by the street or highway number on the above tax free rule.

The mileage rate zone system center for this map is located within the small double circle at 14th St. & N.W. Approximately 95% of all taxi trips in Washington, D.C., originate and terminate within the area shown on this map.

Due to the limitation of space, only a portion of the exhibits that part of Washington, D. C. known as Macostic, located East of the Anacostia River. The mileage rate your system taxi fare map can be made available by your model, hotel, apartment, office building management, or other business establishment, when it is officially designated.

Group riding shall be at the discretion of the cab driver at all times. All individual passengers sharing a cab while group riding and not of the same party shall pay the full \$6.00 per hour.

[illegible]

the taximeter protects them.
Nothing could be farther from
the truth.

it is only with the flat-rate zone system that the cab-riding public can get maximum protection. With the flat-rate zone system, the cab passenger can always know in advance the exact price of their trip before it is taken, and second, identical trips have identical rates.

The mileage rate zone system shown on this page is a well established zone fare system. It is used to compute parcel post rates, airline rates, trucking rates and telephone rates.

The taxi fare zone system that is now in use (as shown on the reverse side of this page) for the D.C. Taxicab Circular, is a thoroughly distorted circular zone system, made up of rigidly drawn boundary lines. It crisscrosses the city, dividing it into 26 zone areas. It is a non-sensical, illogical, and distressing and a 1956 puzzle. With it, you can make an exorbitant profit on one trip, only to have it wiped out on the next. With it, a 6 block trip can cost as much as \$1.40, or, as little as 40¢ in 20¢.

approximately 5 miles. The cab driver cannot charge more than 75¢. This is but 15¢ a mile!

And yet, when we run a trip into nearby Maryland or Virginia, the official interstate rate is 60¢ for the first mile, and 50¢ for each additional mile!

The only possible solution to all of this is to create zone areas of equal size as shown on this page. At the last rate hearing, the Washington Post gave it editorial support Thursday, March 13, 1969, page A-24, and, on Wednesday, April 2, 1969, page A-22. The Federation of Citizens' Associations gave it their full support. What is now needed is your individual support.

PLEASE NOTE! The mileage rate zone system will leave the rates

alone where they should be left alone, increase the rates where they should be increased and reduce the rates where they should be reduced.

Your cab driver wants every passenger that they carry to have the cost of their taxi ride reduced where it should and must be reduced and could be reduced if the mileage rate zone system were officially adopted. Your cab driver must charge the higher rates required by the D.C. Public Service Commission.

You, the cab passenger, can get these taxi rates reduced by writing your letter today, stating that you want the mileage rate zone system adopted at once.

Jeremiah Watman, Chairman
D.C. Public Service Commission
Capritz Building
1625 Eye St., N. W.
Washington, D. C. 20006

Prepared by
Irving Schlaifer
Taxicab & Sightseeing Consultant
Chairman, Emergency Taxicab Committee
344 Kennedy St., N.W.
Washington, D. C. 20011
Phone: Tuckman 2-8377

STREET MAP OF
WASHINGTON, D.C.
(Approximately 65s)
Mileage Scale
M K 0

Mr. SCHLAIFER. We want to thank you very much for giving us the opportunity to appear before your committee. I will be glad to answer any questions that your committee may care to ask.

Senator INOUE. I thank you very much. Would you like to comment on Mr. Sanchez' testimony?

Mr. SCHLAIFER. Mr. Sanchez stated he is a part-time driver. I can understand his feelings for wanting taximeters and the idea of getting paid for the distance he travels. In my letter to you, of March 1, I go into that briefly. But since you asked the question you have to keep in mind that this whole thing has been deliberately manipulated over the years.

Back in 1960, we were put under the regulation of the Washington Metropolitan Area Transit Commission so that they could set taxi rates for interstate taxi trips. I attended their hearings. Various groups and individuals who recommended what they thought would be an ideal way to fix interstate taxi rates. I was the only one that recommended a mileage rate zone system. The cab companies recommended a zone fare to the District line and mileage fare beyond. The Washington Metropolitan Area Transit Commission decided that it should be a mileage rate fare from where the taxi trip originated within the District to where it terminated in the Maryland or Virginia suburbs.

Now, for over 10 years these cab drivers have had the experience of running mileage trips into Maryland and Virginia. As a natural result they have become fed up with the taxi zone system in this city.

In this fashion the regulatory agencies have realized that if they are given enough time they can wean away the District of Columbia taxi driver from taxi zone systems as it is today in the District of Columbia.

I have talked about the mileage rate zone system proposal for well over 15 years—long before the Washington metropolitan area ever was put into existence. We have an easy problem for the Public Service Commission to solve, but they refuse to do so.

Now, the question is: Can we trust the PSC to do the job objectively and honestly? I say: "Absolutely not." They have a history of wanting taximeters and a history of wanting limitation of taxicabs.

I have here a copy of a newspaper article which I would like to have made part of the record.

Senator INOUE. It is received.

(The article follows:)

Robert E. McLaughlin was a Commissioner on the D. C. Public Utilities Commission from May 19, 1953 to June 1, 1955.

THE WASHINGTON POST and TIMES HERALD

Wednesday, February 27, 1957

B5

McLaughlin Favors

Commissioner Robert E. McLaughlin yesterday endorsed three legislative suggestions being considered by the House District Committee to better the lot of full-time cab drivers here.

McLaughlin said he favored substituting meters for the

zone fare system, letting the Public Utilities Commission limit the number of cabs and increasing compulsory insurance coverage. He also urged an end to group riding, a World War II holdover which he said denies riders "regular taxi service."

But McLaughlin, who is Police Commissioner, took issue with House District Committee Clerk William N. McLeod's proposal to centralize all taxi regulation and supervision in the police department. McLeod, who prepared a still-se-

Taxi Meters

cret report on the taxi industry, suggested that would be more efficient than splitting it among several agencies.

The procedure for licensing hackers and their cabs, setting rates and revoking permits might be simplified, said McLaughlin. But he said his off-hand reaction to McLeod's plan was that taxis are part of the public transportation system and should be regulated by the PUC.

Rep. Olin E. Teague (D-Tex.) now has charge of McLeod's report and has promised to release it. Teague's staff said yesterday they are making some taxi checks of their own which may take some time.

Mr. SCHLAIFER. The heading of this news article appeared in the Washington Post and Times Herald, Wednesday February 27, 1957. The heading says "McLaughlin Favors Taxi Meters." Robert E. McLaughlin at that time was president of the Board of Commissioners for the District of Columbia—rather at that time he was with the, I am not sure of the title, but he was on the Public—Yes; the Board of Commissioners. He was a member of the PSC from May 19, 1952 to June 1, 1955. He made no bones about the fact that if it was up to him he would have taximeters. I also have a copy of a letter sent to me by Robert E. McLaughlin dated January 12, 1960. I wrote a letter to him questioning him whether he still favored the use of meters and he said "Absolutely." They have already prejudged this case.

On March 11, 1957, Mr. Harrison Fargo McConnell wrote him a letter. I request that Mr. McConnell's letter be made a part of this record.

Senator INOUYE. It is so ordered.

(The letter follows:)

MARCH 11, 1957.

HON. ROBERT E. McLAUGHLIN,
*Chairman, Board of Commissioners,
District of Columbia.*

DEAR COMMISSIONER: Reference is made to the D.C. Taxicab Problem, wherein the question is presented as to whether a change should be made from the present zone system to meters.

I note by the press, you have come out in favor of meters, but you did not give any reasons or facts on which you base your views. On last Sunday, March 3rd, I note you were on a T.V. broadcast, favoring meters, but again you gave no reasons or facts on which you predicate your views. Have you made, or caused to be made, any investigation or study of this problem?

I am advised those meters will cost at least \$300.00 to \$400.00 each and with at least 9,500 cabs in the District, the total cost will come to at least \$3,325,000.00. That's a lot of money and in the final analysis will be paid by the public. The little cab drivers and operators can't afford to put up such money and will be put out of business. It is only natural for the big cab companies to want meters. They can, with the increased rates caused by meters, make more money, with less cost and less cabs, then at present. Of course, the D.C. Transit Co. want meters. It will drive more people back to riding streetcar and buses. But, why do you favor meters?

The Washington Post & Times Herald has come out for retaining the present zone system, with a raise of rates to meet the increased cost of operation. What is wrong, if anything with the position taken by the Washington Post & Times Herald?

Do you believe the Washington public, who ride cabs and pay the freight, would favor meters? I am inclined to think, that if the matter were put to a vote, meters would be voted down by a large majority. At present, a cab passenger knows the fare when he enters the cab, but with meters the cab driver can take the long way, as much as he pleases, and thereby, run up a bigger fare than he is entitled to and the passenger is stuck.

If meters are put in, it seems to me the only benefit to be derived will accrue to the big cab companies, the D.C. Transit Co. and the three big meter manufacturers who stand to make big profits off the sales and service of meters. In a great many cases the meters will cost more than the cabs are worth. I rode the old horse drawn cabs here and the old horse drawn streetcars and I have ridden cabs in nearly every city in the United States. We had meters here at one time and at the same time a zone system. The public preferred the zone cabs and the meter cabs were driven off the streets.

Let us give the public a break for once. Between the Congress and the Supreme Court and politicians who come here for a short time, it seems to me, we people who live here, make our homes here, have been kicked around long enough. People here, have, as you know, no vote, no representation in Congress. The affairs of the District are administrated by persons, in the most part, by people from without the District.

The Washington Post & Times Herald, I believe, speaks the minds of most Washington people respecting the cab problem, but why not provide some method whereby the people may speak for themselves. I do not believe that this matter should be settled by the big cab companies, the D.C. Transit Co., the big three meter manufacturers or the District Commissioners—much less, by the House District Committee of the Congress, none of whom are permanent residents of the District. How would the people, out in the Mid-West cities, like to have the people of Washington tell them what kind of cab service they should have? Yet, they send representatives here, to tell us how we can live and the kind of public transportation service we must have.

I have filed a memo, coupled with a letter to the Chairman of the Sub-committee of the House District Committee, seeking information relative to this cab problem. I represent no one but myself, but unless the people of the District are provided with some means of expressing their choice, I believe appropriate proceedings should, and may be instituted in the courts, if necessary, or some other proper tribunal to give the public some voice as to the D.C. Public Transportation.

In the District, we have upwards of 1,000,000 persons being taxed with no vote and no representation. They are being regulated and re-regulated without any voice of their own. Is it any wonder, people, by the thousands, are moving to nearby Virginia and Maryland, where they can have some voice and some representation in the affairs of Government.

In every election, the District is promised some sort of self-rule, but promises are soon forgotten. The men on the Hill are more interested in establishing democratic government in far off places, are more interested in appropriating money for foreign aid, than they are in having democratic government under-the-shadows of the Dome of the Capitol.

The great numbers of people, all U.S. citizens, in our island colonies, as well as all the people of Alaska and the District of Columbia, all U.S. citizens are deprived of a vote, deprived of self-government and, yet, this Government spends billions and billions of dollars every year telling other countries how to be free and how to be democratic. Before we try to be God Almighty to all the world, let us practice what we preach at home and give our citizens rights to which any free people are entitled to.

The Chairman of the Sub-committee of the House has stated publicly that he proposes to look into the cab problem from A to Z and then he proposes to send a questionnaire out to cab drivers to see how they feel about changing the zone system and if they would want meters. The Sub-committee can't get at the facts. It does not run the District of Columbia. The question is not "what the cab driver wants but rather what the cab passenger prefers, since they pay the freight."

Mr. Commissioner, why not arrange a plebiscite and let the people express their choice. And let the Cab Industry give free service for one day to haul the people to vote. This might be a good way to start Home Rule for Washington. The Government preaches Civil Rights for the Southern States and even has caused the use of force to secure for the Negro the right to vote and self-government, but this government, makes no attempt to give the people of the District any civil rights or give them half the rights it is trying to get for Southern Negroes.

Your going on the T.V. broadcast and telling the people that the cabs should change to meters and completely ignoring the successful use of the zone system for over 25 years, is but proof that you have joined up with the meter manufacturers, the big cab companies and the D.C. Transit Co. irrespective of the will of the people. These are but methods used by Russia to govern her satellite peoples.

Let us, for once, look to the interests of the people of Washington and find out what the public wants, and not what you, the meter manufacturers, the big cab companies and the D.C. Transit Co. want.

It is difficult to see why you are so interested personally, in the increasing of earnings for the D.C. Transit Co.

Tell the American people the truth and they generally come up with the right answer.

Sincerely yours,

HARRISON FARGO McCONNELL.

Mr. SCHLAIFER. If we go before the PSC the hearing would be as counterfeit as a \$3 bill. It would be an exercise in futility for any of us to give all the reasons why we object to the installation of taximeters in this city.

Senator INOUE. I am certain you have read the bill—haven't you?

Mr. SCHLAIFER. Yes, I have, and it limits itself only to the study of taximeters.

Senator INOUE. You are opposed to a comprehensive study that would merely consider meters as one of the alternatives?

Mr. SCHLAIFER. Absolutely. The PSC has all the authority it needs right now to solve this whole problem and make all the necessary improvements needed with the solutions that have been brought to their attention. If you permit me I would like to read my letter to you dated March 1, 1972. I will go into the second paragraph.

The D.C. Public Service Commission has deliberately manipulated their control of the Taxi Industry over the last 39 years to force it in the direction of taximeters and limitation. The PSC has always had a history of wanting meters. That is why we would object very vehemently to any hearings that would let the PSC determine whether we should have meters or zones. It would be like asking the fox to guard the hen house.

The PSC has always been burned up at Congress for tying up its hands and preventing them from ordering the use of meters and ordering limitation of taxicabs. The PSC has always had all the authority it needs to make the needed changes to correct all of the problems we are faced with today.

Since the PSC cannot have its way, it has thumbed its nose at Congress and has refused to carry out its responsibilities. The attitude of the PSC is that if they cannot have their way 100 percent, then they are going to do as little as possible for the taxi industry and the cab-riding public. The PSC has taken the attitude that they are not working for you, but that you are working for them.

They have done this by keeping the taxi zone system, now in use, as rotten as they can for as long as they can. They want to make everyone unhappy and dissatisfied with it. They want everyone to complain that something be done about it in the hopes that they would demand that taximeters replace the zone system. All of this has backfired in the face of the PSC.

Now, it looks like the PSC will finally succeed in its scheming. The ever-increasing traffic congestion, the ever-increasing number of long unprofitable cab trips we must run and the construction of the new subway system, means that the taxi zone system now in use is fast becoming obsolete.

We have finally reached the end of the road with it. Which way do we turn? Taximeters, or the mileage rate zone system? Taximeters would be a \$5 million mistake. It would wreck the taxi industry and put thousands of people out of work. The mileage rate zone system is the best answer and solution to this problem. It will not wreck the taxi industry or put thousands of people out of work.

The PSC has known about the mileage rate zone system for over 15 years. It has deliberately refused to make use of it. It was first proposed at an informal hearing in 1958. Its adoption was proposed at a rate hearing in 1963. Its adoption was again proposed at a rate hearing in 1968.

Let us now look at why some of our cab drivers say they want taximeters. In 1961 the Washington Metropolitan Area Transit Commission through Order 67 first authorized our interstate mileage rate using the odometer from which a determination of the distance travelled could be reached. We have used the interstate mileage rate for over 10 years. Now the cab drivers want to be paid for the distance he travels on all trips. He now finds it harder and harder to quietly accept the taxi zone system in D.C. In plain words, he is fed up with it.

All we need here in D.C. is a mileage rate zone system, wherein, the passenger pays for the distance he travels. Once we have that, these same cab drivers that now want taximeters will forget about it completely. With it the cab passenger will pay for the service he gets and the cab driver will give the service he is paid for.

Senator INOUE. This letter as you know is part of the record. It is not necessary for you—

Mr. SCHLAIFER. Could I read the last two paragraphs since I have gone this far?

Senator INOUE. Go ahead.

Mr. SCHLAIFER (continuing to read):

The cab driver is sick and tired of being told that he must take the bad trips with the good trips. He now wants a taxi zone system wherein every trip will be a good trip. He now wants a taxi system wherein he can make more than \$2 to \$3 an hour he now earns. He needs a taxi zone system wherein he can make \$5 an hour net take home pay.

The D.C. Transit bus driver earns approximately \$5 an hour. If you add in his overtime pay, holiday pay, vacation pay, sick leave, and other fringe benefits, his pay is closer to \$10 an hour. So, if the cab driver can earn \$5 an hour net take home pay with the mileage rate zone system, he is still only making half of what his counterpart, the D.C. Transit bus driver is earning.

We ask that you call upon the PSC to take every step necessary to immediately adopt the mileage rate zone system.

Mr. SCHLAIFER. Let me explain a little bit about how the public has been hypnotized by the taximeter. The purpose of the taximeter is not to protect a passenger. It is only a register to total up the amount of money so the cab companies can control the taxi dollar. Now the purpose of the company to control the taxi dollar means that they can profit far more with a taximeter than they can with a flat-rate zone system. Service is absolutely lousy where they have taximeters. Drivers can corrupt any system you give them. If you want to make an honest driver you don't do it by putting a taximeter in a cab. The taximeter, as far as I am concerned, is a fraudulent device and its use should be completely outlawed. I drove a metered taxicab in Los Angeles back in 1946 and that is where I got my religion for the taxi zone system. I drove a cab here in D.C. before I went to Los Angeles and I was told by so many people that the taximeter was a cure-all.

I drove a cab for the Yellow Cab Company. It probably has never been brought to your attention but that same Yellow Cab Co. over 5 years ago was charged with running their taximeters as fast meters—20 to 25 percent faster than what they were supposed to be. This is where the city was supposed to check the meters and apparently relied upon the companies to make certain the meters were accurate. After a year or so of investigation, one member of the city council whitewashed the company by saying that the company officials did not know what the mechanics were doing to the taximeters in the garage.

The whole idea of taximeters is that they can be profitable by making it very easy to overcharge their passengers. If you look at it one way, say, for every trip you get 10 cents more than what it should be. A company operating one cab on a 24-hour basis, it would be easy to run 50 trips without too much trouble, and that would give that company \$5 a day more money than they are entitled to. So, in some companies if you have 1,000 cabs doing that it would give that company \$5,000 more per day than they are entitled to. That is not counting all the other costly mistakes for the unfortunate cab passenger that go in the operation of the taximeter.

With the flat-rate zone system the passenger can know in advance that the price is right. In this city more than half of the cab users don't have to be told what the fare is. They just hand the correct fare to the cabdriver. You won't have that with a cab meter. In a taximeter they don't know what in the world they are going to have to pay. One time it's \$1 and at another time it's \$2.50 and they can't figure out what happened.

To give you a good example of what happened when I was at 16th and Kennedy Streets N.W., an Alexandria, Va., cabdriver stopped me and asked me where Dupont Circle was. He had a passenger in the cab, the driver was lost and the meter was running. I told him that he would have to go back down 16th Street to P Street, turn right and Dupont Circle would be 3 blocks away. That meant that this cabdriver traveled over 8 extra miles needlessly. This made the cab ride over \$4 more than what it should have been and the cab passenger was stuck with it.

You have the problem here in the District of Columbia. You have a Yuma Street NW. and a Yuma Street SE. They are over 10 miles apart. Get a meter in the cab and if the driver isn't certain how to get to Yuma Street, that passenger will wind up paying more money. We have duplication of store names, hotels, office building names, and so on. Take a Holiday Inn, there are several in this city, put a meter in that taxicab and if the cabdriver don't know which Holiday Inn the passenger is talking about, the price will go sky high.

We have these fast superhighways where the turnoffs are 1, 2, 3 or more miles apart. If the correct turnoff is missed, the higher meter cost will automatically be charged.

In the zone system the mistakes are at the expense of the driver and not at the expense of the rider. This gives the rider maximum protection. We have to use every possible way to get maximum protection. I talked about this mileage zone system to one of the officials of a large company and he said that in 1 month's time everybody would know how to use it. This is the whole idea. I have as an exhibit the mileage rate zone map, the mileage rate zone scale. You can figure out any trip on the map and use it.

Senator INOUE. Thank you for the testimony, Mr. Schlaifer.

Mr. SCHLAIFER. I would also like to mention that you talk about having a taxi industry study. I have here a copy of the "Operations and Regulations of Taxicabs" in the city of Chicago, a recent report prepared by the Transportation Center at Northwestern University March 27, 1958. I agree wholeheartedly with everything they say in that report. They don't support any rate-computing method but they do say a taxicab is not a utility. Taxicabs should not have their fares regulated. Taxicabs should be unlimited and I agree with that. We are not a utility.

Now, I would like for this committee to have this book for a temporary amount of time so they can put into the record certain pages of it.

Senator INOUE. I will have my staff look it over, sir.

Mr. SCHLAIFER. I will be glad to go over it with your staff.

Senator INOUE. I am certain my staff would be very happy to sit with you, sir. I thank you very much for your assistance this morning and your suggestions will be kept in mind when we come to decision-making time.

Mr. SCHLAIFER. Could I also submit other letters which I haven't mentioned?

Senator INOUE. Without objection, they will all be made part of the record.

Mr. SCHLAIFER. Thank you.

(The letters follow:)

THE DISTRICT OF COLUMBIA,
Washington, January 12, 1960.

Mr. IRVING SCHLAIFER,
Washington 11, D.C.

DEAR MR. SCHLAIFER: I have your letter of January 11, inquiring whether I still favor the use of meters on taxicabs.

The answer is "yes". In this city, which is visited annually by millions of Americans, as well as many foreigners who are not even familiar with our language, it appears to me to be singularly inappropriate to use a zone system. Strangers to the city are unfamiliar with the limits of the various zones as well as the application of the pertinent regulations, and I feel that their interests, as well as the interests of our own residents, should be protected by the use of taxicab meters which actually compute in every instance the equitable fare, as related to the distance travelled and the service rendered to the public.

Sincerely yours,

ROBERT E. McLAUGHLIN,
President, Board of Commissioners, D.C.

JANUARY 26, 1972.

LETTERS TO THE EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: The late Rep. Clarence Cannon of Missouri and the present Rep. William H. Natcher of Kentucky should be praised for seeing to it that the use of taximeters in the D.C. cabs is absolutely prohibited. The flat-rate zone system that is required to determine the taxi fare in D.C. is far superior to any taximeter.

Our once excellent taxi service is no longer so. The cab riding public just does not know who to blame. They are being told to blame Congress. This is absolutely wrong! The entire blame should and must be placed on the D.C. Public Service Commission.

This Commission has just virtually sat on its hands for the last 39 years, since 1933, doing as little as possible for the Taxi Industry that it is supposed to regulate. This Commission has shut its eyes to the fact that this industry now has 80% of its drivers working part-time, when it used to have 80% of its drivers working full time.

This fact alone, should be a loud and clear signal to this Commission that all is not well with the Taxicab Industry. Must we become an industry of 100% part-time drivers before this Commission finally wakes up to the fact that it is not doing its job. Congress should demand that this Commission get busy and give the Taxicab Industry whatever it needs to do its job. It can be done without taximeters. All that we need is a whole new zone system and a whole new rate package to go with it.

Naturally, the taximeter manufacturers want the D.C. flat-rate zone system abolished, and, taximeters made mandatory. They would then have a \$5,000,000 market in the sales and service of their unneeded and unwanted products forced upon the approximately 10,000 D.C. cabs. The overwhelming majority of D.C. cab drivers are absolutely opposed to the installation of taximeters.

The taximeter is the legal right to steal. It is a "one-arm bandit", once the driver pulls the lever, the "house" always wins. It is nothing more than a guessing box. It always becomes a guessing game as to what the final fare will be. With it, you do not know the exact price of any given trip until it is completed. With it, identical trips do not always have identical rates.

The gimmick of the taximeter is to make carelessness profitable, whether it be intentional or unintentional. It was never intended to protect the cab-riding public. It is a public-be-damned device. The public has been deliberately brainwashed into believing that it protects them. Nothing could be further from the truth.

The taximeter is a fraudulent device. We would not be a bit surprised that some day soon, the Federal Trade Commission will declare it to be a fraudulent device and outlaw its use.

It is only with the flat-rate zone system, as used here in D.C., that the cab-riding public can get maximum protection. First, with it, the cab passenger can always know in advance the exact price of his trip before it is taken, and second, identical trips will always have identical rates. What better consumer protection can you have, than this?

We are well aware of what is wrong with the flat-rate zone system now in use. The use of the rigidly fixed boundary lines made up of arbitrarily selected streets, creates 26 zone areas of unequal size. It is a monstrosity and a jigsaw puzzle. With it, a 6 block trip can cost as little as 60¢, or, can cost as much as \$1.45. With it, a 5 mile trip can cost as little as 75¢. With it, you make an exorbitant profit on one trip, only to have it wiped out on the next trip.

The only possible and satisfactory solution to this problem, is to create zone areas of equal size, wherein, the cab-riding public pays for the distance he travels. It can be best achieved by adopting a floating zone system, the mileage rate zone system, 70¢ for the first mile, 30¢ for each additional half-mile, and, 30¢ for each additional passenger.

The mileage rate zone system will decrease the rates where needed, increase the rates where needed, and, leave the rates unchanged where needed. Sixty percent of the cabriding public will pay no increase in rates.

The mileage rate zone system is a well established floating zone fare system. It is used to compute parcel post rates, airline rates, trucking rates and telephone rates.

The mileage rate zone system complies with the law of Congress, calling for a system of uniform zones. The mileage rate zone system will make the taximeter obsolete.

The D.C. Public Service Commission has all of the authority it now needs to have the rigidly fixed boundary line system of zone areas of unequal size, replaced with zone areas of equal size. Once, the mileage rate zone system is adopted and in use, the cab-riding public will be served on a first-come, first-serve basis.

Sincerely yours,

IRVING SCHLAIFER,
Chairman, Emergency Taxicab Committee.

Senator INOUE. Our next witness is Mr. Lloyd Smith, president of the Benning Bridge Civic Association.

STATEMENT OF LLOYD SMITH, PRESIDENT, BENNING BRIDGE CIVIC ASSOCIATION; ACCOMPANIED BY LUTHER MARSH, FIRST VICE PRESIDENT

Mr. SMITH. Senator Inouye, I am Lloyd Smith, president of the Benning Bridge Civic Association. On my left is Mr. Luther Marsh, first vice president of our civic association.

Senator INOUE. Welcome.

Mr. SMITH. We are a body located east of the Anacostia River in the far northeast-southeast area. I would like to point out and preface my remarks by stating that I will make a few deviations.

We are in an area which is commonly called by the press as Anacostia but is not true because they are two distinct areas. They are far northeast-southeast and Anacostia and Congress Heights. This area comprises one-third of the total population of the District of Columbia; two-thirds of all the public housing in the District of Columbia, and about 225,000 people. The area is larger than most smaller cities in the United States.

We come here today to support the study in the bill, S. 3091, but not in the total context that it should end up with just meters and this is the deviation. I think that the study should look at the best possible means. What I am saying here today is that we are pleading for service to the poor and to the disadvantaged community east of the river.

As an ex-cabdriver for about 10 years, who supported his family as a part-time cabdriver—I am the father of five children. I realize the need to keep the industry from becoming a big corporation and in control, I think this can be done and the free enterprise system can be allowed to flourish here. People in our community cannot get a cab, cannot receive service, cannot even get a cab or other things to take care of the emergencies. They have to ask their neighbors. People with large families are being charged by the head for each child—which is wrong. As a cabdriver, who never agrees with the system, many times I never even charged children. I don't believe people should be charged for cabdrivers mistakes. They go to the wrong location and that is their problem.

I believe that somehow or other, if it takes this bill, we are going to have to work out a system to serve the poor, disenfranchised black people east of the river and whites who still live there. The area is practically 95-percent black and we do not get proper bus service or taxi service. We have relied on neighbors and friends.

Our recently elected school board member, Mrs. Pride in school ward 7, has to wait an hour or hour and a half for a taxicab. Most of the time she will call me, or Mr. Marsh, or some of her friends to merely carry her to the District Building to the budget hearings for the school board. Her husband works; they only have one car. This is just one example of an elected official who can't even get a cab. If you call one—they say they will be there. It takes an hour and a half and they never show up. We are concerned. Many students have worked their way through Howard University and everything else through driving cabs part time but we think there is a better system that has got to be devised to make a fair revenue for cabdrivers, and to make social security available for cabdrivers.

Many cabdrivers die and they find out they don't have enough credits. Their wife is out of social security or what have you. There has to be a very better accounting system not to control the industry or control free enterprise but to make it fair on the part of the customer and on the part of the cabdriver.

There have been complaints of drivers who are reluctant to come to our area. This is very true. Notwithstanding the crime problem, Senator, this has been true before the crime situation got this bad. It is just worse now. The crime situation plays a part in it, but in the sixth and seventh district since January the crime rate has in effect dropped. The testimony to this is that in Anacostia and far northeast up until a few months ago a scout car was on call and when he would finish one call before he finished it he had to make another call—an emergency run. Now they have time between calls to make surveillance and the crime rate is dropping. Merely by saying that the people east of the river are not being served by the police department, by sufficient numbers as based on their population, and that is basically what we are saying about the cab industry, or about any other public service in this city is that these people, one-third of the population, are not being served and we are not blaming particularly the cab industry itself.

I think much of the blame lies on the Public Service Commission. I think I would have serious doubts whether they could conduct a study themselves. I think that possibly there needs to be some other

method or approach to the study being conducted. Nevertheless a study needs to be conducted. A study that determines priorities in terms of areas served, in terms of fairness to the drivers, regulations, and in terms of fairness to the customer.

Senator INOUE. Do you believe the Public Service Commission can come forth with objective findings and a fair report?

Mr. SMITH. Well, it has had many hearings, and the Public Service Commission has never once moved to change the silly zone system that we have here now. When I say "silly" as a cabdriver for 10 years you get to some places on the zone system that there is no street that the boundary line goes to and the public gets very confused. You have to sit there 15 minutes explaining why or where they passed this zone, I think the zone system is archaic—this particular zone system.

Now, maybe, some other kind of zone system based on mileage as Mr. Schlaifer suggested is the answer. But this zone system is not fair to the cabdriver, not fair to the public, and not fair to the poor people who have five children and have to get in a cab and pay for each child above a certain age. I think this is really penalizing the poor because I can get in a cab by myself and I must pay my single fare. But here is a mother on public assistance and she has got to go down to 301 C Street, or whatever, for her food stamps or what have you, and she has to pay for all of her children. Maybe she can't get a babysitter. We have no day care east of the river to amount to anything—only private. The reason we can't get day care is because we don't have the matching funds, the 25 percent to give to HEW to either build or renovate facilities. Yet we have two-thirds of all the public housing in the city out there.

GAO studies show this recently. We have received the largest cut in bus service, 2.1 percent have been removed from the Potomac Avenue, Wisconsin Line, Georgetown-Friendship area; 4.7 percent from Georgia Avenue, 7th Street, Silver Spring line; 4.9 percent cut from the 14th Street line; 6.4 percent cut from the Mount Pleasant line; 8.8 percent cut from the U Street line and people east of the river from the Benning Road line is 13.2 percent by buses.

What I am basically here pleading today is something has to be done about service to this community. The bus service has been cut down on our lines. They have cut the service. People have to stand out in the cold and the rain and wait for transportation. They can't get a cab. If you look like you live east of the river, and if you look you can tell who lives east of the river, they know where you are standing at, what side of the street, so that kind of thing. You are going to lose money when you take a ride out there. If you pick up one guy you are going to lose money. There is no question about it. You are not going to get a fare back in town.

Something has to be done to make the trip worthwhile for the cabdriver and an incentive for him to go there. It is also going to have to have some regulation that we have cabs in that area to give people service because if we are going to have a cab industry we are talking about service. Maybe it shouldn't be a public utility but if it is a public utility then we are going to have to work out some way that they will give the community service.

We could have taxistands that a certain number of cabs could be required to stand in or either violate a franchise or something of that

sort. We used to have a taxistand in Fairfax Village or one in Benning Heights or something of that sort. We would have to compensate them in some way where these stands could be making money.

Meters could accomplish some of these things but I am not saying it is the panacea or the answer to anything but we would definitely not favor use of the type of meters that click when a car particularly is idle because we feel that would not be fair to the passenger because he has no control over the traffic. He has no control over the route. We also feel that it wouldn't take a study of 6 months. We feel the taxi industry itself has the responsibility to assist in its input in the study. That it should not take a year or 18 months to come up with a study like this. The facts are all here. People have been testifying, and the cab industry has been testifying for years and I think basically the facts are here.

So, basically, Mr. Chairman, that is our feeling. We want better service for the people of far northeast-southeast and Anacostia.

Senator INOUE. Mr. Smith, your statement this afternoon has been most helpful. Up until now we have heard from witnesses representing companies, and drivers. You have been primarily representing people and I think people should be represented in our hearings. So I thank you very much for your contribution.

Mr. SMITH. Thank you, Senator.

Senator INOUE. I would like to announce the next witness will be the last one for the morning session and we will resume our hearing at 2 o'clock this afternoon with Mr. Melvin Baker followed by Mr. Cooke, Mr. Rudder, and Mr. Vanderford. The final witness for this morning's session will be Mr. Henry G. Bartsch.

STATEMENT OF HENRY G. BARTSCH, DISTRICT OF COLUMBIA RESIDENT

Mr. BARTSCH. I presume, Mr. Senator, that you would like to adjourn this meeting as soon as possible and I see no purpose in reading the prepared statement which I furnished you.

Senator INOUE. Without objection your full prepared statement will be made part of the record because it is your wish.

(The prepared statement follows:)

PREPARED STATEMENT OF HENRY G. BARTSCH, DISTRICT OF COLUMBIA RESIDENT

Gentlemen, I am a native Washingtonian, resident in the District of Columbia during the almost forty years the D.C. Public Service Commission and its predecessor have been Congressionally restrained from ordering installation of taximeters in vehicles licensed as hacks in this Territory. I am grateful for this opportunity to be heard in this matter.

Taxicab transportation is essential to my present work which is under contract with a number of U.S. Agencies in this City. My expenditures for such taxicab service as I have been able to obtain has, in the past year, aggregated approximately \$200 per month.

It is common knowledge that it is virtually impossible to hire a cab, *downtown*, between the hours of 3:30 p.m. and 6 p.m., even though there are a lot of cabs on the street with "off duty" and "on call" signs exempting them from serving while they cruise in search of an "AIRPORT" job for which they can lawfully charge fifty cents per mile.

Likewise, the Official Files of the D.C. Public Service Commission reveal that thousands of telephone requests for cab service are refused, *weekly*, in the *uptown* area (P.S.C. Zones 3 and 4).

I assume that Senate Bill 3091 was introduced in the hope that the Public Service Commission would, with Congressional permission and \$10,000, come up with a report which would establish taximeter installation as a "solution" for the currently intolerable lack of taxicab service from the close to 10,000 taxicabs licensed in this city.

Four years ago, the D.C. Public Service Commission assessed the licensed taxicab operators of this city \$15,000 (*Fifteen* Thousand Dollars) purportedly to defray the costs of an investigation into the questioned fairness of the then existing zone rates for taxicab transportation within the District of Columbia.

After spending Ten Thousand Dollars (\$10,000) of the assessment and more than a year in its "investigation and study", the staff of the Commission quietly disposed of the only evidence upon which the avowed determination could lawfully have been made.

The Commission then ignored hundreds of pages of sworn testimony from citizens, associations, and taxi drivers protesting the 30 odd cent per mile average fare P.S.C. authorized for all D.C. trips except the short hops in the downtown area.

To avert imminent resumption of a city-wide taxicab strike, the Commission then hurriedly arbitrarily gave the operators a straight "across the board" fare increase of 20%.

I was a duly-admitted party intervenor in the Commission's "formal" proceedings; I objected to the procedure; and I appealed the Commission's several "Orders" to the Federal District Court, as provided for by the D.C. Code. Notwithstanding express statutory requirement that such P.S.C. appeals be given judicial precedence over all other Civil cases, no hearing on the merits has been accorded me since the filing of these appeals in 1969.

In verification of all of my foregoing representations, I respectfully invite and request the attention of this Committee to the entire P.S.C. and District Court record in Civil Action No. 1175-69 and Civil Action No. 3334-69 in the U.S. District Court for the District of Columbia.

In every other jurisdiction of the Washington "Metropolitan" area, the ordained taxicab fare is *at least* fifty cents (50¢) per mile. Only the Public Service Commission of the District of Columbia exacts three-four and five miles of taxicab transportation for 40 cents a mile.

All that is necessary to bring back the former availability of Taxicab Service in the District of Columbia is:

A congressionally-enacted minimum District of Columbia taxi fare of 50 cents per mile of trip distance, airline shown, which fare would *supersede* the otherwise existing P.S.C. "Zone Fare" for any trip where, *on an official map*, the P.S.C. "Zone Fare" can be shown to afford the taxicab operator *less than 50 cents per airline mile*.

Elimination of the intolerable lack of taxicab availability in this city does not require *twelve more months* of P.S.C. "investigation" and "study".

It does not require endowment of the D.C. Public Service Commission staff or its delegated agents with another \$10,000 to be spent any way it sees fit.

It does not require a multi-million dollar installation of North American Rockwell Company taximeters.

It does not require putting six or seven thousand independent D.C. taxicab operators off the street so that the ITT-Conglomerate-owned local Yellow Cab Company and, possibly one or two other companies, can establish a mutual monopoly in D.C. taxicab operations before 1976 when the City will be host to Nation's Bicentennial.

Mr. BARTSCH. I would like to stress this point and that is that while the doctors argue over the practice which should be followed in dealing with the person who is extremely sick the patient died. Similarly, here we have a situation here which is simply intolerable.

I have endured it now for a number of years—particularly the past 2 years. It is impossible to get a cab downtown after 3:30 and up until 6 o'clock. The reason is simply this: At that hour everyone except those going to the airport, 99 percent of the people with the exception of those going to the airport are going home—going home means that they are taking a trip into the third, fourth, fifth zones,

or into Maryland. So that the cabdriver knows if he cruises the street in search of a fare in Washington during office days between the hours of 3:30 and 6 o'clock that he is facing a trip into the third zone, the medium distance for which is $3\frac{1}{2}$ miles and the fare would be \$1.45. The result is that he will on the average receive for that trip about 40 cents a mile.

It is well recognized, in every jurisdiction in this area, that a fair cab return on the basis of miles covered is 50 cents a mile. Mr. Schlaifer has stated the Public Service Commission is corrupt and I concur in that. I believe the last rate hearing will show it conclusively. I commend to your attention the treatment which the cabdrivers and the public received in the hearings which were conducted by the Public Service Commission 4 years ago.

There is one quick way to save the life of the patient and that is immediately. An act congressionally, a requirement that no cabdriver in the city of Washington operating on an intrastate trip, within the boundaries of the District of Columbia shall be compelled to carry anyone from a point of pickup to a point of destination and receive for the airline trip, the distance between the two points less than 50 cents a mile. That would give us within a week adequate service in the downtown area. There is no reason why that shouldn't be enacted.

The other point that I wish to make is simply this and we have heard it repeatedly: Please, God, don't turn us over to the Public Service Commission to receive the roughshod treatment from them which we have experienced now some 10 or 12 years and with which I am quite familiar. Give the matter over to some independent committee or some independent agency because the PSC cannot be bothered with it.

I ask again that the record in the last Public Service Commission hearings on this problem be carefully reviewed by your staff. I would be willing to dedicate to your staff 1 week of my time without charge that you might go over that record and see exactly what has taken place not only in the Public Service Commission but in the appellate proceedings following the decision of the PSC.

I thank you.

I am open to any question which you wish to ask. I have made serious charges and you may want to ask me to verify them.

Senator INOUYE. I thank you very much, Mr. Bartsch.

I am naturally dismayed to hear from witnesses suggesting that the Public Service Commission is corrupt and unreliable, but I gather that some day, in my mind hopefully soon, the District of Columbia will be granted home rule. Until that time arrives, I would presume the Public Service Commission cannot, withstanding what Congress says, conduct such a study and decide upon whether they should have meters, zones, or other ways. You don't suppose Congress could forever prohibit the Public Service Commission from doing such an act, do you?

Mr. BARTSCH. I regard the Public Service Commission as a vestigial remnant of our former commissioner type of government. The appointments to that Commission have not been outstanding. The people who serve on that Commission as Commissioners are three; one is an ex officio member of the District government, usually the Deputy Mayor or

Deputy Commissioner; the other two are too concerned with telephone matters, with other things which are truly public utilities. The cab industry is not a public utility and in most cities in the United States it is not regarded as a public utility. Cabs are not required as common carriers but I do think we have had no responsive objective treatment from the Public Service Commission over the past 12 years, over the period with which I am familiar. I think this hearing, this investigation, this study—from an examination of the last study for which the cab-drivers of Washington were assessed \$15,000 conclusively establishes my statement that the Public Service Commission is not sufficiently objective to do the job which this bill seeks to impose upon it.

Thank you.

Senator INOUE. I thank you very much, sir.

As I indicated earlier we will stand in recess until 2 o'clock this afternoon. Our first witness at 2 o'clock will be Mr. Melvin Baker, followed by Mr. Cooke, Mr. Rudder, and Mr. Vanderford.

Until 2 o'clock we stand in recess.

(Whereupon, at 12:35 p.m., the committee stood in recess.)

AFTERNOON SESSION

(The committee reconvened at 2 p.m., Senator Daniel K. Inouye presiding.)

Senator INOUE. We will resume our hearings this afternoon. Our first witness will be Mr. Melvin Baker, a cabdriver.

STATEMENT OF MELVIN BAKER, CABDRIVER

Mr. BAKER. Good afternoon.

Senator INOUE. Please proceed, sir.

Mr. BAKER. To start with, I would like to state that I am a full-time cabdriver and have been so for about 17 years. In that time I have more or less set my future so as to stay in this occupation. It has taken me many years but I have come to the viewpoint, actually, today of loving my work to a sense. It has made me my own man and my own boss. It affords me a varied education that I never received in school. There are, on the other hand, inequities in this business, here in Washington, that should be remedied.

When I started in this business, we were running around town for a mere 40 cents in the first zone.

Just to deviate for a second, to go back further, they were running around for 10 cents and 20 cents back in the 1920's, so it progresses as the years go on, I guess. From that time to this, the price of bread has tripled, yet the fare for the first zone has increased by a third, if that much, and to add to this, we now see traffic increased 10 times over, making the various trips across town much slower. So, as you see, we haven't gained anything. How can we gain in a system that doesn't allow for time that we are losing all the time? Every worker in this country sells services, both in skill and time. I propose that the taxicabs in the city of Washington be equipped with a taximeter that would allow for payment of distance traveled and time spent on the trip. This, I know, is not too popular with a certain faction of the taxi industry, this faction being made up primarily of part-time drivers. It should be obvious why part-time men would not want the meter. He is doing this to supplement his income from a full-time job. The cab is a good shield for taxes which he can cover up easily as we have all heard previous to this. The cab also gives him a form of transportation back and forth from his regular job and a car to drive the family around in. He has no regard for the average fare as he has a limited time to make a certain amount in the cabs, so, therefore, he looks for the better-paying fares. This is not serving the public in its best interests.

I ask the company, why should a man be allowed to use a public vehicle for his own personal needs? But if this is to be allowed, why not let Mr. Chalk let his busdrivers take their buses home at night and use them for personal functions? It is the same principle.

Now, let us get into the so-called area of the taxi industry group. This, I understand, is a group made up of the officials of the various associations in the city. This group, as we see by reading the literature they have passed out, is a self-centered group. First of all, let's get into the word of "association." Why is it that most of the groups are called associations rather than companies? I think if you look into this, you will find that few, if any, cab companies or associations as such in the city are licensed as a cab company or anything concerning the taxicab business. They usually work under the license of a garage, finance company, or various other businesses. Why? When have any of these associations ever given any real benefits to the drivers? They always tell you what they are doing but pin them down and you will see how little it is. How blind can they be?

The carriage went out with President Taft but I am sure if you look in the offices of the so-called leaders of the industry, you might find a few buggywhips. All these men are interested in is to sell tires, gas, and so forth. What they fail to sell is complete service to the drivers. These men, so-called industry group, are always, as they put it, speaking for the driver, as if we heard an example of that before.

Let me tell you here now, they don't speak for me. I drive a Yellow Cab which I own and with all that I still speak for myself. The drivers from the various associations are discontented with the system and the industry group does nothing to improve the situation. The organization I am connected with, Yellow Cab, is owned and operated by the great International Telephone & Telegraph, excuse the expression. Why should a big outfit like that want to operate the way they are if they weren't making money? This is strictly big business and why they wouldn't want a meter is beyond me. It would give them a bigger margin of profit and better control of it even.

To sum up, I would like to see conditions improve where meters would be installed in the cabs and a limitation set on the cabs so they could be better supervised and controlled. I would like to see complete control of the cabs put under a special hack bureau. This would do away with the Public Service Commission who in the past have been very ineffective in handling taxicab affairs. The various associations should be turned into companies, licensed as such, and be held responsible to the city. Some type of benefit should be made to give the men in the business—to be paid by the men through a weekly checkoff system, make it possible for men to be able to earn a respectful wage for a decent day's work. I have had people tell me drivers in Washington are the most intelligent cabdrivers they have ever come across. We have the job of selling the city to out-of-towners, making them want to come back and spend here, so we all benefit. We have to stay well read to answer the various questions that are put to us about everything from sports to politics. For that kind of service, I think we deserve a better shake than we are getting.

Thank you.

Senator INOUE. Thank you very much, sir.

Are you in favor of this bill that would authorize the Commission to conduct studies and investigations?

Mr. BAKER. I am in favor of the bill because it looks to me that, if enacted, it would eventually lead to meters. And that is the only answer I can see for this business. We can delude ourselves into a

zone system that we have used for, what, 38 or 40 years now. This zone system is not fair; regardless of what way you shape the zones, they are still not fair. What we run into is a system, say a man rides five blocks, crosses one zone, he pays \$1.10; another man rides across the downtown zone as such, say from 18th or 20th Street to Capitol Hill for 75 cents. What we have here, basically, is a man that is riding 5 blocks for \$1.10 is subsidizing the man riding 2½ miles. He is making up the difference to the driver. It shouldn't be that way. The driver should get paid for every inch that he travels and the time spent. There is no other way to do it. I mean you just can't delude yourself into any other system.

Senator INOUE. You drive a Yellow Cab, sir?

Mr. BAKER. Yes.

Senator INOUE. But you own the vehicle?

Mr. BAKER. I own the vehicle—sort of a franchise type operation.

Senator INOUE. What do you pay the Yellow Cab Co.?

Mr. BAKER. I rent a radio from the Yellow Cab—\$12 a week. It costs me \$11.90 in association dues, which includes my insurance and, to be honest with you, I came back to Yellow less than a year ago. I was driving for another organization here, and years ago when I drove for Yellow, they gave us a little hospitalization plan, which was very minor, like about \$4 or \$5 a day in the hospital. If they have anything, I am sure that is all it amounts to and the money comes out of the gas sales, I understand, for any benefit which they do have, which are nil.

Now, the operation has recently been taken over, within the last 2 years by IT&T, who is the parent corporation of another corporation, and it is pretty involved. I pay a total every week of \$24.14 with tax and everything included. According to the agreement, and this goes with several companies in the city, I must buy all my gasoline at the company gas lot—they have their own gas sales. It is part of the agreement of driving a Yellow Cab. And Yellow—I guess they are pretty much in line with the gas but some of the others—I won't mention any names, but some of the others are exceedingly high on the gas sale pricing and force guys to buy the gas at the particular association that they deal with. Now, where this money goes, I don't know. I can't see it being put to any general use and some of these moneys are overexpanded—they have help they don't need. I think they are just blowing it, personally. This is the only way I can put it to you.

Senator INOUE. You are a full-time cab driver?

Mr. BAKER. That is correct.

Senator INOUE. What was your income last year?

Mr. BAKER. My income for last year—well, I haven't totaled it all up yet. I can give you for the year before. That figure would be more accurate. It ran about—total income ran a little—close to \$8,000.

Senator INOUE. Gross?

Mr. BAKER. That was about net, right there. That was for about a 10-11-hour day. So I don't know how that would break down basically as far as per hour.

Senator INOUE. How many days a week?

Mr. BAKER. Six days a week—60 hour week.

Senator INOUE. You say your experience is representative of most of the full-time cab drivers?

Mr. BAKER, I would say it is close to it. But the thing is, some years you do a little better than others and even with this system today, I could make less, I could have major setbacks, like the car could be wiped out in an accident—my own car. I would have to replace the car because once it is demolished I would never get the full value comparable to another car—in other words, when it is a taxicab it has half the value of another car that year. If I even got paid for it, I would still be out half the price of the car; I would have to replace the equipment, and I can't see—the thing is I am not getting—basically, I feel I am not getting a fair return for my investment, whatever investment I have in my equipment, which can only last me, the way they are building the subway—the streets are torn up and the cost of things, the way things are made today, the equipment is costing me—well, I should be able to replace it every 2 years, but as it is now, I have to keep it for almost 4 years to get myself out of hock almost. Every time you turn around something happens and you have to put a new engine in, another \$500, things like this. This is the way you play the game, you are always in hock.

Senator INOUE. You are making approximately \$30 a day at 10 hours?

Mr. BAKER. Ten hours, roughly, and sometimes longer. If I don't have a good day—say something happens. Then I have to stay out longer but I have to do it. In this economy we are living in, it is necessary to sustain a family.

As you know, the cost of living keeps going up but we stay the same, we don't make any more than this. We are not getting increases and \$30 a day for a 6-day week at 60 hours is not a tremendous thing—it's a tough day.

Senator INOUE. Do you, as a full-time driver, make yourself available during the rush hours?

Mr. BAKER. The morning rush hour and part of the evening rush hour. I can only take one rush hour a day; that traffic downtown won't let you take two rush hours a day. I start at 6 o'clock in the morning, and I'm on my way home by 4:30 p.m.

Senator INOUE. Is it your belief that this study is necessary to bring all these facts out?

Mr. BAKER. Right.

Well, I think that we need an increase. We haven't had one since 1969. Employees of other businesses get a sliding scale of some sort. The inflationary scale, I think they call it, in some of these union contracts—we don't get that. The only thing we have is what we make. We should get some kind of equivalent increase every year according to the cost of living. Some type of survey should be made and we should be allowed a certain increase every year. I think the bus companies got more increases than we have really.

Senator INOUE. All right. Thank you very much.

Mr. BAKER. Thank you.

Senator INOUE. Our next witness is Mr. Robert Cooke, representing the petition signers for taximeters in the District of Columbia.

Welcome, sir.

STATEMENT OF ROBERT COOKE, PETITION SIGNERS FOR TAXI
METERS IN THE DISTRICT OF COLUMBIA

Mr. COOKE. Good afternoon, sir.

Senator Inouye, ladies and gentlemen: My name is Robert Cooke, a full-time cabdriver. I am reading a prepared statement, representing the petition signers for taximeters in Washington, D.C., March 7, 1972.

Why shouldn't we have taximeters in Washington, D.C.? This is the only major city in the United States, or maybe the world, that doesn't have them. It is a natural thing to expect meters in taxicabs. Visitors to Washington are surprised when they don't see them. They are even more surprised when you tell them what the fare is. To a family of five when they ride from the Washington Monument to the Jefferson Memorial for \$3.50 they think they have been robbed. To a businessman going from the Mayflower Hotel to the Capitol for 75 cents he asks, "How can you make a living like that?" Both of these examples are hard to explain. There simply is no equitable way to compute fares under the zone system presently used in Washington. Meters are the only fair means of computing taxi fares. There is no such thing as an equal zone when crossing a street puts you in another zone.

Meters would only bring Washington in line with the rest of the country and the metropolitan area in particular.

For years the Washington Metropolitan Transit Commission has been trying to achieve some degree of balance to the fare structure of the metropolitan area.

The Public Service Commission is completely unresponsive to the needs of the riding public and the taxi driver. We have asked the P.S.C. to make some type of compensation for working during the rush hours. This petition was denied. With traffic as bad as it is and the subway construction, and there is no relief in sight for the next 6 or 7 years as far as the subway construction is concerned, there is a wonder that any cabs are on the street at all during rush hours. Does the present Public Service Commission really think the drivers are satisfied as we are? Far from it. This is shown by the poor service and it is getting worse. The P.S.C. hasn't given the drivers anything to serve the public with.

The zone system is breeding the hard type of drivers that are found in the larger cities. The drivers are becoming rude, sullen, and discourteous as a result of this unfair system. This is bad for a city of this nature where all cab drivers are expected to be ambassadors of good will. But how can you smile when you are slowly being strangled by a cruel system.

The system is so bad that most drivers have been driven to other jobs. The taxi business has failed miserably as a means of making a living. With the situation as it is it's no wonder 85 percent of the drivers are part-time. Quantity and quality of service will remain bad from the low percentage of full-time drivers. The taxi industry and the riding public will continue to suffer until the zone system is changed.

No one benefits from the zone system. It is a cruel and unusual way of computing taxi fares for all concerned. How many poor people under the zone system can afford cabs? How much do you think it costs a poor family of five to ride from downtown to Benning Heights? The cost would be \$5.75. The cost in a metered cab with the present interstate rates would be \$4.90 for the 8-mile ride. So who can say which is best? I prefer the meter.

It's quite evident that the zone system of computing taxi fares isn't working. There are no cabs on the streets when they are needed most. Meters would immediately correct this because drivers would be compensated for traffic, subway construction, and most important of all distance.

District of Columbia cabs without meters are at an unfair advantage competing with taxis that come into Washington from Arlington and Alexandria, Va., to work with their meters. They know there is a shortage of cabs during the rush hours and they take advantage of it with their meters. This is a practice that everyone knows about but nobody does anything about. Meters would equalize the whole area and there would be no need for this.

The present system has turned the few full-time drivers we have left into a bunch of hustlers. Every regulation in the book is broken trying to make a living with a bad system. Some drivers have gone to jail trying to make a living. Any number of cabdrivers have been arrested at National Airport for coming out there looking for a decent taxi run. The only taxi runs a man gets a fair return for his labor is an interstate run to and from the airports. These rates are based on a mileage rate.

The taxi industry is now in direct competition with the D.C. Transit Co. Only 10 cents separates the rides in the downtown area. On May 26, we will be charging equal fares, 50 cents each, for the downtown ride with two or more passengers. If the taxi rates were what they should be, I believe, the Transit Co. would have at least a 10-percent raise in passenger fares. Then there would be no need for a busfare increase. Cabdrivers are not interested in volume business.

This is the only industry where you are forced by regulation to accept jobs for less pay than you think you are worth. This, to me, smacks of involuntary servitude and is a violation of the 13th amendment to the constitution. A more equitable way is available—meters.

There are nearly 10,000 taxis in this city of 745,000 people. This is too many cabs for the little service offered. We are surrounded by metered cabs with limitations. Prince George's County with a population of 665,000 operates good service with 380 cabs. Montgomery County has excellent service—300 cabs for a population of nearly 550,000. Arlington County has between 275–300 cabs. Fairfax County has 130 cabs. The city of Alexandria with its population of 100,000 has 267 cabs. Metered cabs operate from Washington National Airport. Other large cities get along with a lot less cabs than we have. Baltimore, with a larger population than Washington, has 1,124 active working cabs. New York has 11,772 medallions today. Chicago has 6,600 cabs. Philadelphia has 1,800 taxis. These cities have larger populations than Washington. Washington has more taxicabs per capita than any major city in the United States—and still no service.

With the daily influx of workers from Maryland and Virginia our population goes well over a million. Three thousand to four thousand taxis, at the most, could serve the people with proper regulation. This limit could be achieved by simple attrition. None would get hurt this way.

There are those in the taxi industry that are opposed to meters for various reasons. They know that this city has too many cabs and to limit them would cut into their business of selling cabs, insurance, repairs, tires, oil, and other taxi-related services, not to mention the insurance kickback.

Their first false statement is that, "We have the best taxi service of any city in the United States." That simply is not true. Try to catch a cab during the rush hour or just be black and try anytime. I say that meters will make cabs more plentiful. They say "No." With meters a driver can work during all hours including the rush hours.

Those that oppose meters state that meters will increase fares. That is a true statement. Higher fares is what the whole thing is all about. Traffic, Metro, and distance will be all taken care of by meters.

The portion of the taxi industry opposed to meters (mind you, I said portion) seems to worry, for no reason, about the independence of the taxi driver. New York City has 11,772 medallions. Of these 6,816 are fleet-owned and 4,956 are independent or 60 percent fleet-owned and 40 percent independent. Of Baltimore's 1,124 cabs, 711 are independent. All major cities have independent cabs and their licenses are worth something. In New York City independent licenses are worth \$25,000 to \$30,000. In Baltimore licenses are worth \$15,000. These independents can borrow on their licenses. How much are licenses worth in Washington? They aren't worth the paper they are written on. People often ask me, "Do you own your cab?" They know that to own your license in other cities means money.

This group seems to think that meters will make cab riding a luxury out of the reach of the poor people. Cabdrivers don't ask people whether they are poor or rich when they catch a taxi. If and when meters are installed, people that want cabs will continue to catch them. This is the only city I know of where they walk out of the welfare office and catch a cab to go home.

This group represents the business end of the taxi operation and nothing else. I wonder how many of them drive a cab full time for a living? Not many—I doubt if any.

There are even a few drivers opposed to meters. I can also see why. There is a group of drivers that specialize in the Northeast and Southeast and black people in particular. They know these people are glad to get a cab at any price. Everyone is charged straight fare when it should be group fares. This is just a way of overcharging. Meters would solve this problem.

This taxi group likes to play big brother to the drivers as if they were little boys. "Be good or they will install meters" they seem to say. "Be careful or you might lose your independence."

Cabdrivers need to work and want to work but they refuse to work with an unjust system. Everyone likes to blame the cabdriver but the system they operate under is at fault. The people should demand and get the only fair way—meters.

I would like to conclude with an excerpt from the Washington Post editorials dated January 26, 1970: "Six months ago, we suggested that the Public Service Commission take steps to put the city's sick cab industry on a 'sound and humane' basis. The passage of time has not reduced the need for such action. Respectfully submitted, Robert Cooke, 7212 7th St. NW., Washington, D.C."

Thank you, sir.

Senator INOUE. Mr. Cooke, I appreciate your attendance this afternoon. I note here that you represent the petition signers. How many people have signed this petition?

Mr. COOKE. I haven't counted the number on it, but it runs into the the hundreds already, and I do expect to get more, especially if they start the PSC hearings on the taxi industry concerning the meters.

Senator INOUE. Who signed the petitions? Cabdrivers?

Mr. COOKE. Nothing but cabdrivers; they signed their names, their address, the company, and the cab company number, and whether they are full time or part time. Some even have their telephone numbers. This petition will be available to any group that is interested in the study. By that time we will have more names added to it. In this short time I've collected, maybe seven, eight, or 10 pages. This will give you some idea of what it looks like.

Senator INOUE. On page 3 of your statement you have said the following: "the present system has turned the few full-time drivers we have into a 'bunch of hustlers.' Can you enlighten this committee as to what you mean by this?"

Mr. COOKE. When I said hustlers, I refer to those who are constantly shopping for the better runs. They will ride around the city looking for groups of three, four, five or more people or look for people with bags they think might be going to the airports, which these are the only ones you make a fair return for your labor. That is why I got the term "hustlers," because they constantly are hustling to make it with this bad system they have.

Senator INOUE. You have also indicated this is the only industry where you are forced by regulation to accept a job for less pay. Are you forced to be a cabdriver?

Mr. COOKE. I am not forced to be a cabdriver but forced to carry people to distances—if one wants to get in your cab and you don't agree with the fare, once he gets in the cab and says "I want to go to southeast" a distance of 8 miles more or less, you're forced to take them. You are regulated to take them. That's why I say I am forced to take them. I am not forced to be a cabdriver, though, and I am trying to get out of that, too.

Senator INOUE. There is some unanimity here, and that is, so far most witnesses have indicated that the Public Service Commission is not doing its job; and, secondly, that the life of a cabdriver is not the best of lives. Now, if this is so, if the return is not adequate to the cabdriver, if the working conditions are bad, why is it that we have over 10,000 men and women who have applied for licenses to become cabdrivers? And why do we have over 9,000 cars licensed to be cabs?

Mr. COOKE. It is because it is so easy to get. It is the easiest thing in the world to go down to the hack office and pass the exam. It is very easy to do. For \$25 you get a license for your cab, and as a result of this you have 10,000 cabs or better. Now, we do have 12,000 people that are licensed to drive cabs. The number of cabs that are operated

in the District of Columbia now runs to 9,500 or 9,600. It's easy to get. A lot of people get them just to hold them for security, but they are so easy to get everybody I know, just about, has one. They are just too easy to get; there should be some limitation on them. Then we would have some value. As it is, it has no value—none at all.

Senator INOUE. You are a full-time driver?

Mr. COOKE. I am a full-time driver. I have been full time since 1963 and have been driving since 1950.

Senator INOUE. What was your net income after taxes last year or the year before?

Mr. COOKE. My gross—I file for \$6,000 or better every year, gross. Senator INOUE. Gross \$6,000?

Mr. COOKE. Yes.

Senator INOUE. You are making less than \$2 an hour?

Mr. COOKE. In a lot of cases I do. If I work 8 hours I might even make less than that.

Senator INOUE. How many hours do you work full-time?

Mr. COOKE. I take my wife to work in the morning at 8:30. I work to 4:30 or 5:30 that evening.

Senator INOUE. You work 8 hours?

Mr. COOKE. Just about.

Senator INOUE. How many days a week?

Mr. COOKE. I try to work 5; it is impossible to work 5 and make it.

Senator INOUE. You work 6 days?

Mr. COOKE. I work 6 days.

Senator INOUE. If you are grossing \$6,000 a year, then you must be—your take-home pay on a per-hour basis is less than \$2 an hour?

Mr. COOKE. That might be true but the Public Service Commission says we are making \$2.47 an hour.

Senator INOUE. What makes you remain in this business?

Mr. COOKE. I am trying to get out of it now. The reason I got in it full-time was because I used to be a sight-seeing guide but I was put out of business when they ran these things to Arlington—these tourmobiles to Arlington Cemetery and through the Mall. During the summer months I could make a fair living during that time when the parks were open; when the cemetery was open, when they were not running this tourmobile I could make a fair living. I am making arrangements, as of tomorrow, to get out of this business. But I am going to do like everybody else—be a part-time driver.

Senator INOUE. Thank you very much.

Mr. COOKE. Thank you, sir.

Senator INOUE. Before we hear from our next witness, Mr. John Rudder, spokesman for the Brotherhood of D.C. Taxi drivers, may we stand in recess for 10 minutes.

(Short recess.)

STATEMENT OF JOHN RUDDER, PRESIDENT, BROTHERHOOD OF D.C. TAXI DRIVERS

Senator INOUE. Please proceed, Mr. Rudder.

Mr. RUDDER. My name is John Rudder. I am president of the Brotherhood of D.C. Taxi Drivers—an independent union of approximately 200 taxi drivers (full time) who drive taxis in the District of Columbia.

A year ago this organization was directed by the chairman of this committee to establish some type of liaison with the Public Service Commission through its then chairman—Mr. George Avery—for the purpose of collecting data on taxicab operations in other cities—and making this information available to this committee.

It was also suggested at that time—that the Public Service Commission through its chairman—might find it helpful to accept volunteer services from certain members of this organization in making an already authorized study of taxicab operations by the Public Service Commission; using driver assessments—some 13,000 already held in escrow for such a purpose—to finance this study.

The following essential facts will chronicle this last year of complete frustration in our attempting to secure compliance with your instructions, Senator Inouye, by the Public Service Commission.

Mr. George Avery—although requested to do so by this organization refused to meet with our representatives. Mr. Avery left on the day following last years hearing on vacation—went to Trinidad on vacation. His secretary informed us that no instructions were left relative to holding the authorized study.

Mr. Avery's successor, Mr. Jeremiah Waterman, did graciously allow us one interview for the obvious purpose of allowing his chief accountant, a Mr. Kagen, to belittle, berate, and browbeat our organization's officers—and especially this witness.

This Mr. Kagen was abusive, hostile, and patronizing in his entire demeanor. Particularly as regards our offers to assist the Commission in setting up the machinery for a hearing. I told him that I was not going to accept that nonsense, that he was instructed by Mr. Waterman to refrain from verbally attacking me.

Mr. Waterman then suggested that if we promised to be good little boys, no embarrassing picket lines, press conferences, et cetera, he just might consider helping us "get more money."

For the next 12 months, a continuous effort on the brotherhoods part to get acknowledgment from the PSC of its moral and legal responsibilities to hold hearings was met with one continuous negative response.

Only last week we received what I considered a classic rejection of our request for a hearing. The very epitome of bureaucratic idiocy and criminal ineptness.

Using the identical words, the identical language, the identical justification we had for asking for the hearing was used as the foundation for denying us a hearing.

Mr. Chairman, you will have to forgive me for what I am about to say may indeed prejudice my organization and my own claim to objectivity and disinterested motivations, but I have to say it, because I believe in my heart that it is relevant.

I am not a racist. I believe that this city—its problems, its promises of being a great city belong to all of its people, no matter what their complexion, their religion, or national origin, whether they be law-makers, taxi drivers or what have you, but I cannot but believe that were the majority of the taxi drivers of this city and the majority of its residents of another racial composition, what has happened to me personally and organizationally, would not have happened. I accuse the Public Service Commission of racism. No matter if they do have window dressing black or yellow employees.

I accuse the Public Service Commission of criminal neglect of its responsibilities and obligations under the law.

I accuse the members of the Public Service Commission of being unfit to hold their positions by reasons of their dereliction of their duties and responsibilities. I especially accuse its chief accountant, Mr. Kagen, and its chairman, Mr. Jeremiah Waterman, of being prejudiced against the taxi drivers of this city.

The Brotherhood of D.C. Taxi Drivers consequently recommends:

(1) That the Public Service Commission be stripped of any responsibility as relates to taxicab operations in the District of Columbia and that all authority to regulate the taxi industry be placed in another agency of the District of Columbia government and if this is not feasible, the creation of an independent agency responsive to the Mayor and to Congress.

(2) That pending the shifting of its responsibilities, the Public Service Commission—on pain of not receiving any more public moneys, particularly those of the Appropriations Committee, sir, be ordered to hold hearings as directed by your committee and as authorized by its own rules—on the taxicab crisis in the District with the Brotherhood of D.C. Taxi Drivers acting with co-responsibility in guaranteeing a fair and impartial study.

(3) The immediate installation—and this is sad, but we are still talking about that new-fangled device called a meter; it was invented years ago—the immediate installation of the meter to bring Washington cabs into the 20th century.

(4) The elimination of all part-time drivers and their replacement by full-timers allowing sufficient time to recruit full-timers. And in this regard I might mention, during the recess I called one of the officers of the Public Service Commission and I gathered a few figures on what the situation is as of this point. If you will forgive me for one moment, this is as of today. I spoke to a Mrs. Dotson; she indicated that there are 9,457 licensed taxis of which 1,329 are uninsured. She indicated that on any given day only one-fourth of the taxi drivers in Washington are on duty. The Public Service Commission, sir, has not exercised its responsibility to see that those drivers there are giving service to the city.

I, myself, know of cases where people from out of town have been overcharged, as Brother Cooke mentioned earlier. They have been abused because of unscrupulous—not necessarily unscrupulous but because of this rotten zone system they have.

Now, the Public Service Commission has been aware of this horrible situation for years. They know that there are a thousand taxicabs. I just might mention that if you would go now to every lot in this city you would see taxi drivers and taxis on lots. The P.S.C. has allowed foreign students—as I said, I am not prejudiced, I am speaking solely in terms of services that could make this a first-rate industry—to operate in the District of Columbia, which further compounds the tremendous under-utilization of the cab business here of the cab-drivers. I believe that we are serving less than 50 percent of the population in this city.

I would particularly be concerned—this is one of my recommendations—with a complete rewriting of all rules and regulations concerning taxicab operations. I am very much concerned about an investigation of the insurance operations in the District of Columbia. For ex-

ample, I do know that even though we do pay insurance, apply premiums, the coverage is only 5,000, 10,000 and 25,000. Right over the river in Arlington the coverage is \$35,000.

I would like to see some of these things looked into in a hearing.

Mr. Senator, I support a hearing and I repeat again, my organization's support of any assistance that you may so need or desire. Thank you.

Senator INOUE. Sir, you are in favor of the adoption of this bill before the committee?

Mr. RUDDER. Yes, sir.

Senator INOUE. You have indicated that at this moment there are about 1,300 cabs that are not insured?

Mr. RUDDER. Not insured.

Senator INOUE. Operating?

Mr. RUDDER. Some of them operating uninsured.

Senator INOUE. Will the law permit you to operate them unlicensed?

Mr. RUDDER. No, sir.

Senator INOUE. I thank you very much, sir.

Mr. RUDDER. Thank you, sir.

Senator INOUE. Our final witness is Mr. Edward Vanderford, a cabdriver.

Please proceed, sir.

STATEMENT OF EDWARD O. VANDERFORD, CABDRIVER

Mr. VANDERFORD. I will be a little short here.

I have been listening to these men all day and I agree with Mr. Rudder, Mr. Cooke, the full-time cabdriver—we all agree about the same things.

I have been a cabdriver for 20 years, and believe me it has been a miserable 20 years. I drive full time and most of my driving is done in the day. As you know, it isn't safe to drive at night in the District of Columbia. Business is down 80 percent at night.

I would like to say that we have the worse system in the country and I have always believed that there has been a conspiracy against the cabdrivers in the District of Columbia by the U. S. Congress. They prohibit us from making a living and force us to work 7 days a week, 10 hours a day. The only way you can earn a living is to work 70 hours a week with no benefits. Check and see how many part-time cabdrivers we have—that alone will tell you the business is no good. I believe there are 80 percent part-time drivers. With a meter there would not be a bad job. You would not pass up a single because you think perhaps he might be going to some faraway destination. All cabs would not have to cross downtown and this would make traffic less, and you would not have to tear up your car with the subway construction.

After the subway is completed you will not need but 3,000 cabs in the District of Columbia. I believe there should be a limit on the number of cabs at once and that we should be prepared to face the subway.

Why should I drive all of my life serving the Congress without any benefits at all. With limitation I could sell my license and have something to retire on; it works everywhere else but, no, not here. The Congress wants a cab sitting in front of their office and they want to

ride for nothing, and, believe me, when you take one downtown back to the Hill, it is a waste of time, you haven't made a dime.

I know that there would be more people testifying that the system is good, but they don't drive cabs, all they do is sell cars, insurance, repairs, gas, and so forth, and use the driver; they do not represent anyone but their selfish interests. They would like to see 50,000 cabs on the streets so there would be more money in their pockets. Everytime we have received a raise—there are men in this room that testified we don't need a raise.

I say if meters work in every city in the world, they will work here. I would like to see a drop of 60 cents the first quarter and 20 cents each additional quarter, plus 25 cents for each extra passenger and 25 cents for each extra bag.

I believe there should be a congressional investigation of the whole rotten stinking industry, and it should be cleaned up. If we get hurt, that's the price we pay. I believe that the cab should be taken away from the Public Service Commission and put under the office of the Mayor.

The Public Service Commission is a disgrace. They have treated us like dogs. They have never done one thing for us. We should have a fund set up for insurance and retirement by the U.S. Government, not the cab owners, because they do not care.

Before I close, I would like to say that all of our troubles are caused by ourselves. If the drivers would organize we could work things out. But they do not know what to do. They have been brainwashed by the cab owners.

Again, I say, do what is best for the public and the driver and not the owners of the industry. They need us—we do not need them.

Senator INOUE. Thank you very much, sir.

You have been a cabdriver for 20 years and you have said that these 20 years have been miserable ones. Why did you decide to spend 20 miserable years as a cabdriver?

Mr. VANDERFORD. Well, when I got out of the military I couldn't find a job. I got into driving a cab, and I said "Well, I'll get another job." I never could find nothing so I just started hanging there. I never thought I would go on there 20 years, but I just stayed in there hoping some day—I knew—it didn't take me over 2 or 3 months to figure the system wasn't no good. I figure there's got to be someone around this town smarter than I am that can see the system is no good. I figured someday there would be a meter, so I hang in there, that's all.

I say it's been miserable having to work so many hours—7 days a week, 10 hours a day. I can show you on my manifest.

Senator INOUE. What was your income last year or the year before?

Mr. VANDERFORD. I would say I net about \$7,000—\$7,500.

Senator INOUE. On the basis of 70 hours a week?

Mr. VANDERFORD. I happen to work 70 hours a week.

Sir, a couple of years ago \$5 an hour would give you about \$3. Now you can't make \$5 with the subway construction. You make about \$4. It takes an awful lot of money to run a car. I have a 1968 Dodge—117,000 miles on it. You have got to pay insurance, 23 cents for gas and it's not all profit. I would say it takes at least—I am not

an economist. We spend \$1,500 to \$2,000 a year on just keeping those junky taxicabs running. If we could make money, we could get a taxi; all these cabs are 5, 6, 8 years old.

Senator INOUE. Do you really believe this prohibition against meters has been in the laws because Members of Congress want a cheap ride from the Hill?

Mr. VANDERFORD. I certainly do. I have hauled enough of them. I have got enough dimes off Congressmen. I certainly do, because I've been in meetings, I've testified, I've been before the committee. We have testified before the Senator who was here who had this committee before and all we ever got out of the Senate, the Congress, and the PSC were promises. I am sitting here talking to you and listening to you; I think we have found a friend, I can say that.

Senator INOUE. I appreciate your kind words, sir. I thank you very much. You have been very helpful and your statement will be an important part of our proceedings, sir.

I have been advised that there are two other men who wish to testify: Mr. Henry Lichtenstein and Mr. Julius Bernstein.

Would you give your name?

STATEMENT OF HENRY LICHTENSTEIN, CABDRIVER

Mr. LICHTENSTEIN. Henry Lichtenstein. I have got a private cab with my own name on it—used to drive a Diamond.

The companies don't do nothing for me. I want a little money I can save. It is better to have my name.

I can hear this meeting going on—these people arguing. The main thing, the public utility is to help people. We are supposed to pick up like they come—to help the people in the street. The people don't mind when they pay another 20 cents or 30 cents because when it comes around 4 or 5 o'clock a lot of people working in offices want to get home.

Today you pick up two people for 50 cents apiece is a dollar, they ride on the bus for 40 cents. You pick up one for 75 cents.

I am a cabdriver and I tell you the truth. I pick up one. I hate to pickup two because for 25 cents I don't want to even go two blocks. I make a living from that. I got to help the people to get how much I can from them. But at this time I figure when I go to the airport I have got to bring something back. This is because I can make a little bit more money. I have to cruise around. If there is a suitcase I take the people. Sometimes like I don't see them. We all do the same thing. We got to make an honest living. But it is hard to make an honest living with the Public Utility Commission.

If the PUC are supposed to be our bosses, then they are supposed to get the people service, like the gas company, the light company—they give service. We cabdrivers are supposed to give service, but we don't make enough money to give the people service. But if we would have right now, like we go to Virginia, we go 60 cents the first mile, 50 cents the other mile, and 30 cents for an extra passenger. You don't have to look around for three, four or five people to pick up. You pick up like they come in the street. If it is another 20 cents you say three more people, I don't need another 20 cents. I will pick them up like they come. I think the only way we don't have to wait out here—like the PUC says, it will take 18 months. We

can put on meters. We can put on right now, take off the map, and we can see how it works out. If it doesn't work out there can be another system with meters. So, the first thing, we got to take off the maps because the maps is no good. You can pick up somebody at the Sheraton Park Hotel and take them to the hospital for \$1.80 you can pick them up take them all the way to American University—it's twice as far—for \$1.45. So it helps the people and helps the cabdrivers too. The one condition is the mileage system, to try out and see how it works out. If not we can see that it was——

Senator INOUE. Do you want this bill to pass?

Mr. LICHTENSTEIN. I would like to see it pass because this meter system and the mileage is the only way that we can help out the people to get them back home in the nighttime and to bring them in in the morning.

Senator INOUE. Thank you very much.

Your name?

STATEMENT OF JULIUS BERNSTEIN, CABDRIVER

Mr. BERNSTEIN. My name is Julius Bernstein and I have been driving a taxi in the District since 1938. I think I'm about the oldest cabdriver in this room as far as work as a taxi driver. But I have been jotting down little kernels of interest, so to speak, as the other speakers have had their say.

I would like to mention as regards the PUC, which, as I have always been taught, has been a commission to service both the public and serving the public. I feel the PUC has been delinquent in their duty to the cabdriver. They may have been serving the public but not the cabdriver.

The last 9 years, since 1963, the PUC has given one raise to the taxi industry—mind you, 9 years of rising prices, and a measly 20 percent raise. The PUC gave that raise only because it was under duress. It had never once offered any increase in income to the cabdriver unless it was forced to do so. As a result we feel that the PUC is not the proper medium by which to serve the cabdriver and the public. As regards the companies—we feel the companies have never been for the drivers, not to the point they would look or spend their efforts for the cabdrivers. They claim they did petition the PSC, the Public Service Commission, for better conditions in the industry. Yet, they have never come to the drivers and asked them to back them in their demands of the Public Service Commission which we would have been only glad to do. The result is that they give us lip service but they gave us no other service besides.

We were in the same position then as we are now. As regards to part-time drivers, I have no objection to part-time drivers. A man in these United States should have the right to go out and work longer hours if he sees fit in order to support his family in the condition that he would like them to grow up in. But the only problem with the part-time cabdriver is the fact that he doesn't service the public as it should be served. He will on occasion pass up the single or somebody he doesn't like and leave that passenger with somebody like myself who will come along and pick up that passenger, sometimes to my loss or sometimes to my just barely making a profit.

Now, I don't blame these people for working as they are because this is an economic world. We have got to make a living and people will do it the best way they know how. Sometimes they will toe the line close and sometimes they will simply ignore it. But it is an economic necessity, many cases, even for the full-time drivers, to pass up the single people on the street.

There was a gentleman here before who spoke of the abuse of people in the southeast area. I feel for him and I feel for the people. They are in a bad way as regards to taxis. Nobody wants to carry them because there is no profit in carrying them.

A driver knowing or looking at a passenger on the street makes a snap judgment that says "Well, they are going southeast or they are going northeast, I'm going to pass them up." and he does. It is not fair to these people on the street waiting for this service, but by the same token, the driver is not going to earn anything in carrying them. So, he feels that in some way he is an enforced welfare agency, because if he should pass that party up and that party turns him in and causes him to be convicted of breaking the law, that man stands to lose his way of life, his earning a living, his only means of a living will be taken away from him, because most of us are in this profession due to the lack of education, experience, know-how, and also age. We are not young anymore. We cannot get a job anywhere. Nobody will hire a man over 30 years of age today unless he has know-how, he has education, he has something that they want to buy and which he has to sell. We have nothing. We have nothing but just our willingness to serve the public and hope that each passenger we pick up will give us a little bit of a profit.

Cheating: There are cases where drivers have told me; yes; this party was an out-of-towner, they don't know the rates, they don't know the zones, they say "What are you going to do? You have got to make a living." That is only in the minority, that is not the majority. The majority of the drivers is the full-time driver who is on the street all day. He is the man you hail, he is the man who will take you from here to the White House for 75 cents. He will take you because he is glad to get somebody going back from here to the downtown area.

Now, Senator Inouye, if you were to hail the same full-time driver at the White House; he will be reluctant to pick you up. Why? You are alone and if you tell him the New Senate Office Building, it is not going to be to his liking. That is absolutely the truth. Because he knows he is serving the Hill and his dislike, his wretchedness is all centered on the Hill because the people on the Hill have made these rules and regulations for him. They insist that he go certain distances for certain amounts of money, yet they offer him no compensation.

I have been in this trade almost 34 years. I have no pension, I have no compensation to look forward to. I have social security, only what I have paid, both the employer and myself. I have no hospitalization which I dreadfully need. I am well now but, God forbid, I should become ill. I'm broke. I have no money for it. I have no separation pay. I have nothing that the average man or woman who is working for somebody has. It is that mental security when you get older. I am past 60, and I am getting older. I feel that the time will come, it may be soon, it may be later, that I will not be able to do my work. I work 6 days a week. I work sometimes on a Sunday, if I can

get a good job. I start around 9 in the morning; I go home around 7 at night.

My wife can tell whether I had a good or bad day, just by my deportment in the house.

I have worked so many years, for my Government in a way. My Government wants me to—the House District Committee, that is what I mean by my Government, I don't mean everybody. I know there are compassionate people in Government, but in the House District Committee I have yet to meet them.

Now, they offer me nothing, they demand that I work, they demand that I work to the fullest, but yet they offer me nothing as a future compensation. Thus, I feel that my Government has not been fair to me. I have given two sons to my Government. Thank God I got them back. I pay my taxes 3 months in advance. My Government demands that. I do everything that my Government wants—yet my Government leaves me to fend for myself when it comes to earning a living. It will give me rules and regulations to follow but it will do nothing if I should become one of those who are in need.

I don't know what else to say. I think I've spoken of the most important things to me and I think I've spoken for those cabdrivers, too, as I who work full-time and the compensation is not enough.

Senator INOUE. Mr. Bernstein, you have said a lot this afternoon. I think many of your colleagues should be very grateful for you representing them this afternoon. You may be assured that your statement will be given our closest scrutiny.

Mr. BERNSTEIN. Thank you. [Applause.]

Senator INOUE. Our next witness is Mr. Joseph Mack.

STATEMENT OF JOSEPH MACK, JR., CABDRIVER

Mr. MACK. I certainly am grateful to you for extending this generous offer to testify before the committee. I am Joe Mack, Jr., 4049 Second Avenue, Ardmore, Md.

I have driven here in Washington as a part-time cabdriver for approximately 4½ years. From the first day that I started driving I perceived that there were gross inequities here. What I mean by that, the system in itself allows us to cheat, to cheat regularly, to pass by people who want transportation. It also allows us to so-call select your passengers.

The system also allows certain interest groups to work a hardship upon the driver by allowing them to charge as much as \$70 a week to rent a car. That enables that driver to go out at night and pick up people and put his life in jeopardy. A number of these drivers have failed to return home. Approximately 12 have been killed in the past 5 years. We have a driver killed in the last month. Any number have been robbed over the past 2 weeks alone. This system has got to go.

I drive when I can, if I can get my car to run, approximately 200 miles a day. Maybe I'll bring home \$30—maybe. I don't know what to do, my wife is paying the house note, she is paying the bills; I can only pay my cab note.

Profits? I don't know what they are. But, gentlemen there must be something good about meters if they are operating in every large city in the United States of America. There must be something good about them.

What type of system is it that a man can work so-called in public service and not be allowed to draw unemployment insurance? What type of system would allow a gentleman to work 20, 30, or 40 years and not be allowed to draw social security? There are a number of things wrong with our present system. If you would please take this study, which I am certainly in favor of—take this from the realm of the Public Service Commission—they have worked over the life of drivers for many years. (Applause.)

Senator INOUE. Before adjourning this afternoon, I note that we have in the audience here, I believe, two officials of the Public Service Commission.

STATEMENT OF DONALD E. CROTSLEY, EXECUTIVE SECRETARY PUBLIC SERVICE COMMISSION

Mr. CROTSLEY. I am executive secretary.

Senator INOUE. Would you come forward, sir?

You are Mr. Donald Crotsley?

Mr. CROTSLEY. Yes, sir.

Senator INOUE. Mr. Crotsley, you must have spent a most uncomfortable day here.

Mr. CROTSLEY. Yes, sir. I didn't realize the PSC was quite so bad.

Senator INOUE. According to the tally sheet we have here, with the exception of Mr. Neely, all of the witnesses had very harsh words to say about the Commission—or, at best, nothing nice to say about the Commission. I cannot conclude that these men and women, who have been here today, represent just a small minority of the cab industry in the city of Washington.

Apparently, something is wrong. I am not here to pass judgment as to what is wrong and what is not wrong. We have just one bill before us—whether to authorize the Commission to make this study or not. Most of the witnesses who have testified are in favor of a study but even then they have reservations about having the Commission conduct the study.

The committee will review the hearings and the materials that are to be submitted subsequent to these hearings. The committee will then take appropriate action on the proposal—based solely on the merits of the bill.

However, I think that you will be in agreement with me that you could reasonably expect to be questioned in the upcoming budget hearings before the Senate Appropriations Subcommittee for the District of Columbia regarding all of these varied charges of your organization's malfeasance and nonfeasance. I know that you cannot be all that bad.

Mr. CROTSLEY. I should hope not, sir.

Senator INOUE. This committee shall stand adjourned until further notice.

(Whereupon, at 3:15 p.m., the committee adjourned.)

(Subsequent to the hearing the following material was received for inclusion in the record:)

COMPARISON OF METERED TO ZONE SYSTEM

This statement is being submitted as previously suggested to cover reasons for our recommendations for a change in present legislation dealing with taxicab operations in the District of Columbia.

Our company is a prominent manufacturer of taximeters for the taxicab industry. We have been in this business, including our predecessor company The Ohmer Corporation, for over 50 years. During this period we have witnessed hundreds of cities changing over from zone to the meter system. In fact, at this time, Washington, D. C. is the only city in the United States over 150,000 population that does not permit the use of taximeters in taxicabs. On an international scope, principal larger cities throughout the world generally use the meter system.

In the proximity of Washington, taximeters have been adopted successfully in recent years in Montgomery and Prince George counties in Maryland and in Arlington and Alexandria, Virginia.

In observing this changeover to taximeters in so many cities, there have been certain basic characteristics of the zone system which have encouraged city officials and taxicab owners to investigate the metering system and eventually adopt it for all taxicabs.

Specifically, some of the features of zone operations which are considered unsatisfactory from the viewpoint of the public, the city, the taxicab owner and the cab driver are:

1. One of the prominent criticisms of zone operations has been constant complaints from passengers of being over-charged. Such complaints are not always justified because there are often passengers who do not understand the zone system. At times drivers may not know zone boundaries and collect incorrect fares unknowingly. There are of course cases of intentional overcharging of passengers such as tourists and transients who are obviously not familiar with the system. Complaints and arguments are not conducive to good public relations. This is not only true of cases where passengers register official complaints but equally true of disgruntled passengers who feel they have been treated unfairly but do nothing about it.

Such comments about intentional over-charging are not a reflection on the honesty of taxicab drivers as a whole, however, zone operation does present a constant temptation which is a basic weakness of the system.

With metered operation the actual fare is plainly shown on the face of the taximeter. This system has proven many times over that it reduces complaints and arguments over fares to a minimum.

2. The zone system does not provide an equitable rate structure. It is unfair to the public based on time and distance travelled.

Zone rates are of necessity based on relatively long increments of distance because of the fixed rate which must support both the long trip as well as the short trip. Therefore, one passenger may ride a mile for the zone fare and another may ride only one block for the same charge. Reduction of zone boundaries does not offer an equitable solution because the same condition still exists.

The fact that the fare increases by crossing arbitrary zone boundaries regardless of distance travelled or time is not equitable considering that another passenger may travel many times farther in a single zone.

Meter rates are set for smaller increments of accumulation based on distance. A meter may calculate at a 10¢ increment for each $\frac{1}{3}$, $\frac{1}{4}$, $\frac{1}{5}$ or $\frac{1}{6}$ mile travelled, etc. This means that a passenger does not have to pay the whole zone fare for riding two blocks or an increased fare for just crossing the zone boundary. The fare is based on exact distance and time travelled to the small fraction of a mile.

Because of the flexibility of meter rates, those who contend that adopting meters would result in prohibitively high rates are incorrect. Based on rate studies, meters may be set precisely to produce specific revenue.

A system which incorporates taximeters is equitable because charges are based on distance travelled and waiting time due to traffic delays.

3. The zone system is not fair to passengers residing in outer zones.

Zone rates work extreme hardships on many citizens who cannot afford such relatively high outer zone rates for short trips of necessity or for other reasons. Often there is no other means of public transportation. For the general public the same inequity prevails.

Zone rates were originally based on taxicabs traveling empty to the outer zones with no anticipated return fares. This condition has changed with modern radio dispatched taxicabs. This results in calls being available in many areas which enable taxicabs to secure trips near the location in which they are working and reduces empty returns.

The taximeter charges the same basic rate for all trips from point of origin. Everyone can afford to ride equally based on meter rates. This opens up a new source of business for the taxicab industry in outer zones and provides a greatly appreciated service to those residents who can take advantage of the new transportation service.

4. With zone rate drivers are penalized during peak traffic periods. If they are detained in traffic they earn no money while waiting. There is no provision for charging for waiting time due to traffic delays. Because of this weakness in the zone system, drivers will avoid rush hour traffic where they are actually most urgently needed. This scarcity of cabs during rush hours greatly contributes to the urban transit problem of moving passengers quickly and efficiently.

This problem is solved automatically with taximeters because they are constructed to shift over from mileage rate to clock time at low speeds and during stoppage in traffic. In this way the driver is being paid for his time and will stay in the area during rush periods.

5. Changing rates and zone boundaries causes confusion. With steadily increasing costs of living and of doing business, the full time taxicab drivers are difficult to find and hold. There is constant pressure to increase taxicab rates either by increasing the fares or reducing the size of zones. Every such change adds to taxicab confusion especially when zones are revised. Expanding population also necessitates zone revision and extension for geographical reasons.

Taximeter rate changes are quick and relatively easy with wide variety of rate combinations. There is nothing new for the drivers to learn. The meter takes care of the new rate automatically. Population expansion in outer zones is also taken care of by the meter based on distance.

6. Another aspect of the zone system is the provision for charging a separate rate scale per person for more than one passenger per trip. Because of the basic rate structure, this charge is relatively high compared to cities using meters. For this reason arguments may arise with travellers not familiar with the system.

In about two thirds of the metered cities there are no charges for extra passengers -- four or five passengers may ride for the price of one. However, rate schedules in about 1/3 of the metered cities do include nominal charges for extra passengers. Such charges may be in amounts of 10¢, 15¢, 20¢ or 25¢ per passenger. Extra passenger charges are recorded separately in the meter and are clearly indicated to the passenger. This eliminates arguments with respect to extra charges since the amounts are plainly visible to the passenger.

7. There is a lack of supervision and control over zone operations which is an inherent characteristic of the system.

A comparison with certain features of meter operations will explain this aspect of zones. Taximeters are inspected, tested and sealed at regular intervals by the cities in which they are used. This assures the public that meters are within city tolerance for time and distance and are set to correct rates.

Meters are connected electrically to cab top light system to indicate when meter is in use. Whenever the taxicab is occupied by a passenger, the top light will indicate that the passenger is paying for his trip through the meter.

These are two aspects of meter control and protection not supplied by the zone system.

In summarizing, the various undesirable aspects of the taxicab zone fare system enumerated in this statement have resulted in eighty out of eighty one cities in the United States over 150,000 population changing over successfully from zones to the meter system. This is conclusive evidence of the recognized merits of the meter control system.

Since all other large cities have, after careful study, research and consideration, adopted the meter system, it is recommended that the District of Columbia be given the authority to make a comprehensive research of the taximeter system.

Respectfully submitted,

G. Richard Wyckoff
Taximeter Sales Manager

GRW/mr
January 6, 1972

THE STORY OF EVANSVILLE, INDIANA
CITIES OVER 100,000 POPULATION

Evansville, with a population of 141,500 is the most recent city in this population group to change from zone taxicab rates to taximeters. Including Evansville, 93.8% of all cities over 100,000 population are on metered rates. Likewise, many smaller cities are changing over.

In this letter we are reviewing some of the reasons why Evansville taxicab operators and city officials finally decided to make the change. The subject had been up for consideration from time to time before, as in most zone cities without action being taken.

In Evansville a special committee was appointed to survey the situation and make recommendations. This committee checked with various cities in the general area. Their conclusions were that the taximeter system would better serve the city and the public, as compared to the zone system. Some of the reasons for this conclusion are included below:

1. The general public was not entirely familiar with the boundaries of various zone lines, and often was unable to ascertain or verify the proper fare to be charged. Transient passengers almost invariably had no knowledge of geographical zones or rates. Consequently the fare to be charged was entirely up to the discretion of the driver. For these reasons, there were complaints of different fares for the same trip, even though not always reported to the city officials.

This was no reflection on the honesty of taxicab drivers. It is considered that ninety five percent of cab drivers are honest, hard working people, but ordinances, rules, and regulations are necessary to control the remaining five percent.

2. A basic weakness of the zone system was found to be that rates in the central zone were much less than for the same trip in other zones. This was unfair to the public, because charges were not based on service rendered.

Fares for trips originating in outlying zones had little relationship to the distance the passenger was carried, even though with radio control the cab may be in the vicinity when the call was received. A fare of this kind could cost perhaps for a short trip, versus perhaps 50¢ with meters, depending on conditions. With meters a citizen in any zone or area within the city pays the same as any other citizen, based on distance and time, in any other section of the city. This was a critical point.

3. With the zone system it was very expensive and often a hardship for people without other transportation in outlying zones to get to shopping centers, doctors, churches, and to other relatively near-by points. For example,

in the \$ zone, the minimum trip was \$. With meters, the minimum ride would perhaps be 50¢ depending on meter rate and exact distance or time. Consequently, the public could not afford to call a cab for such short though necessary trips. As a result, the taxicab companies could not keep cabs in the area except on special call, due to low volume of business. With meters the short rider is attracted to cab riding that he can afford. This leads to more business for taxicabs and they can afford to establish cab stands in outlying shopping centers, and other such locations. This gives every citizen in the city regardless of location the same fair service, and takes care of a serious need for reasonable transportation in various zones.

4. Zone group riding delayed service to passengers not only in waiting for cabs, but in being driven round-about to destination. Group riding is contrary to general concept of taxicab service of private and personal nature. Group riding caused taxicabs to be in direct competition with mass transportation or local bus service. It was found to be impractical to use five passenger automobiles in this way, and still give good individual service, because of the volume of business. The physical capabilities of trying to give individual service and mass transportation service with regular passenger vehicles reached a maximum point, and it was no longer possible to offset any additional increase in costs with this system.
5. A meter system based on distance and time at an equitable rate was chosen as the most practical and fair method of fare collection, because it fit in with the personalized type of taxicab operation, which specializes in prompt service to the greatest number of passengers. The concluded better service could be provided at an average cheaper rate resulting in better maintained and more modern equipment, and for safety and welfare of the community.
6. From the viewpoint of protection to the public, it was found that taximeters are inspected and sealed by the city to assure all rates being accurate, and the same for the same service. No such control is possible where zone rates are in effect. With meters the city sets the rates and through sealing procedure makes sure the public is protected. They found that complaints of over-charging were practically non-existent in cities using meters. With the meter the passenger is guaranteed a fair rate based on time and distance. All customers are treated equally.
7. It was pointed out that the taximeter is the cash register of the taxicab business, beneficial to owner, driver, passenger, and city officials. Rates are very flexible. Rate changes when approved can be made quickly and in-expensively to provide the exact revenue required per mile for profitable and efficient operation.

ROCKWELL MANUFACTURING COMPANY
TAXIMETER DIVISION
HOPEWELL, N. J.

TAXIMETER RATE TRENDS

(Revised - 1971)

**A STUDY OF TAXIMETER RATES
AND RATE TRENDS
IN 500 UNITED STATES CITIES
OVER 25,000 POPULATION**

TAXIMETER SALES



Rockwell

MANUFACTURING COMPANY

HOPEWELL, NEW JERSEY 08525

FOREWORD

The purpose of this study is to provide an analysis of current taxicab rates in cities of various sizes. It is thought this information will be helpful to taxicab operators in cities where rate revisions are under consideration, or where a changeover is being made from zone or flat rates to taximeters.

Taxicab service in the United States is reputed to be the best in the world. To maintain this fine reputation in any given city, the rate of fare must be ample to assure the taxicab operators of a reasonable income on investment after normal business expenses.

It is obvious that taxicab rates must be revised from time to time in the face of continued increases in the cost of doing business. Otherwise, taxicab service must deteriorate because of lack of funds for replacement taxicabs and other equipment. Also, the rate has a direct bearing on the caliber of driver personnel which is an important factor in serving the public.

The data used in our rate study has come from various sources including the research department of the International Taxicab Association. Also, we have for many years maintained up-to-date information on taxicab rates in all sizes of cities as part of our customer service.

If there are any errors of omissions in our information, they are due primarily to the fact that rates are constantly changing and that in some instances minor changes are made without publicity. However, our data is dependably accurate to illustrate definite trends in rate structure throughout the industry.

If the data compiled herein is found to be useful to the industry, it will have served its intended purpose.

DEFINITION OF TERMS

In order that there may be no confusion in terms, we provide the following definitions:

"Initial Charge" - The initial charge or first drop is the amount of fare shown by the meter when the meter flag is placed in the operating position.

"Initial Distance" - The initial distance is the unit of distance required to trip the meter to the next higher amount after the flag is thrown.

"Subsequent Rate" - The subsequent rate is either a 5¢ or 10¢ charge for a specified distance, such as: 1/5, 1/4, 1/3, or 2/5 mile after the initial distance has been used.

"Waiting Time Rate" - Waiting time rate is specified in terms of rate in minutes or per hour, such as 10¢ for 1 1/2 minutes, which is \$4.00 per hour.

"Traffic Delay Charge" - Charging for traffic delays means that waiting time charge accumulates when taxicab is moving at reduced speed or stopping in traffic. Meter clock engages when speed is reduced to point that revenue is greater from waiting time than from mileage and vice versa, depending on rate structure.

"Non Recording" - This is the position of the meter flag which disengages the clock mechanism. It is used in cities which are not permitted to charge waiting time rate for traffic delays. It is also used when the passenger is paying his fare and when the taxicab is delayed because of mechanical reasons, tire trouble, etc.

"Extras" - The extras mechanism provides for charging a fixed amount for each extra passenger over one or more, depending on rate structure. This mechanism may be used to record extra charges for telephone calls, stops, packages, luggage, etc., instead of for extra passengers depending on regulations.

TAXICAB RATE STRUCTURES

There are hundreds of different taxicab rate structures in use throughout the country. Taximeter construction makes it possible to vary distance, time or units of fare to produce the results required in any given city.

Various rate combinations may produce substantially the same revenue per mile or trip. The variations are necessary to pattern the rate structure to specific conditions in the various cities. For many years, we have specialized in making rate studies and in working with taxicab operators on their rate problems.

There are many factors involved in arriving at a rate which will attract a maximum number of passengers and produce a satisfactory revenue to the operator.

The ideal taxicab rate is one which makes every trip, long or short, profitable to the taxicab company and equitable to both the long and short trip rider.

During the past year, there have been rate increases in over 90 cities covered in this rate study, including cities which have changed over from flat or zone rates to taximeters. Because of steadily increasing costs of doing business, consideration is being given to rate revision or installing of taximeters in many other cities.

REGIONAL INFORMATION

Because of the variations of rates in different geographical areas, we are supplying a breakdown of rate information for Eastern, Southern, Central, and Western Districts. This will provide more usable data for comparison purposes.

FLAG DROP AND INITIAL DISTANCE

Chart No. 1 provides an analysis of initial rates in 500 cities over 25,000 population.

The trend from last year is that the 45¢ and 50¢ drops predominate in over 300 cities. Also, the 1/4 mile is the most popular initial distance, with the 1/5 mile increasing 32% over 1970 and the 1/6 mile 50%.

CHART NUMBER 1NATIONWIDE ANALYSIS OF
INITIAL DISTANCE AND INITIAL CHARGE

Initial Distance	25¢	30¢	35¢	40¢	45¢	50¢	55¢	60¢	65¢	70¢	75¢	80¢	85¢	90¢	\$1	Total Cities
1 1/10 mi.	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1
1 6/7 "	-	-	-	1	5	19	2	4	-	3	2	-	1	1	2	40
4/5 "	-	-	-	-	-	2	-	-	-	1	-	-	-	-	-	1
3/4 "	-	-	-	2	5	6	-	-	-	2	-	-	-	-	-	2
7/10 "	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
2/3 "	-	-	-	1	1	5	1	1	-	-	-	-	-	-	-	9
3/5 "	-	-	2	-	2	2	-	-	-	1	-	1	-	-	-	8
4/7 "	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
1/2 "	-	-	4	5	15	31	7	5	1	-	2	1	-	-	-	71
3/7 "	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1
2/5 "	-	-	-	-	9	5	1	3	-	-	-	-	-	-	-	18
1/3 "	-	-	1	8	13	7	7	2	-	-	-	-	-	-	-	38
3/10 "	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1
2/7 "	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2
1/4 "	3	-	10	13	38	75	12	6	1	2	-	-	-	-	-	160
1/5 "	1	1	2	8	16	50	5	10	1	1	1	1	-	-	-	97
1/6 "	-	-	-	3	-	4	-	18	2	-	-	-	-	1	-	28
1/7 "	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
1/8 "	-	-	-	1	-	2	1	1	-	-	-	-	-	-	-	5
TOTAL CITIES	4	1	20	43	107	210	36	51	5	10	5	3	1	2	2	500

FLAG DROP AND INITIAL DISTANCE - CON'T.CHART NUMBER 2CENTRAL DISTRICT
ANALYSIS OF
INITIAL CHARGE AND DISTANCE

Initial Distance	25¢	35¢	40¢	45¢	50¢	55¢	60¢	65¢	70¢	90¢	Total Cities
1 Mi.	-	-	-	1	5	2	-	-	1	1	10
3/4 "	-	-	-	-	1	-	-	-	-	-	1
7/10 "	-	-	1	-	-	-	-	-	-	-	1
2/3 "	-	-	-	1	-	-	-	-	-	-	1
1/2 "	-	2	2	4	11	-	-	-	-	-	19
2/5 "	-	-	-	7	-	-	1	-	-	-	8
1/3 "	-	1	8	10	3	2	-	-	-	-	24
3/10 "	-	1	-	-	-	-	-	-	-	-	1
2/7 "	-	-	2	-	-	-	-	-	-	-	2
1/4 "	1	7	3	22	23	7	2	-	-	-	65
1/5 "	-	-	4	5	12	3	4	-	-	-	28
1/6 "	-	-	1	-	-	-	-	1	-	-	2
1/8 "	-	-	-	-	1	1	-	-	-	-	2
TOTAL CITIES	1	11	21	50	56	15	7	1	1	1	164

CHART NUMBER 3EASTERN DISTRICT
ANALYSIS OF
INITIAL CHARGE AND DISTANCE

Initial Distance	25¢	30¢	35¢	40¢	45¢	50¢	55¢	60¢	65¢	70¢	75¢	80¢	85¢	\$1	Total Cities
1 1/10 Mi.	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
1 "	-	-	-	-	1	5	-	2	-	2	2	-	1	2	15
6/7 "	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1
3/4 "	-	-	-	1	1	2	-	-	-	2	-	-	-	-	6
3/5 "	-	-	1	-	2	-	-	-	-	1	-	1	-	-	5
1/2 "	-	-	-	2	3	3	2	3	1	-	-	-	-	-	14
3/7 "	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
2/5 "	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
1/3 "	-	-	-	-	-	2	2	-	-	-	-	-	-	-	4
1/4 "	1	-	2	8	3	7	2	2	-	1	-	-	-	-	26
1/5 "	1	1	1	2	1	15	-	2	-	-	-	-	-	-	23
1/6 "	-	-	-	1	-	-	-	4	1	-	-	-	-	-	6
1/8 "	-	-	-	1	-	1	-	-	-	-	-	-	-	-	2
TOTAL CITIES	2	1	4	15	11	38	6	13	2	7	2	1	1	2	105

FLAG DROP AND INITIAL DISTANCE - CON'T.CHART NUMBER 4SOUTHERN DISTRICT
ANALYSIS OF
INITIAL CHARGE AND DISTANCE

Initial Distance	25¢	35¢	40¢	45¢	50¢	55¢	60¢	65¢	75¢	80¢	Total Cities
1 Mi.	-	-	1	3	8	-	2	-	-	-	14
4/5 "	-	-	-	-	1	-	-	-	-	-	1
3/4 "	-	-	1	4	1	-	-	-	-	-	6
2/3 "	-	-	1	-	3	2	1	-	-	-	7
3/5 "	-	1	-	-	2	-	-	-	-	-	3
4/7 "	-	-	-	1	-	-	-	-	-	-	1
1/2 "	-	2	1	8	10	5	2	-	2	1	31
2/5 "	-	-	-	2	1	1	-	-	-	-	4
1/3 "	-	-	-	3	2	3	1	-	-	-	9
1/4 "	1	1	2	5	13	2	-	1	-	-	25
1/5 "	-	1	1	5	8	1	-	-	-	-	16
1/6 "	-	-	1	-	3	-	-	-	-	-	4
TOTAL CITIES	1	5	8	31	52	14	6	1	2	1	121

CHART NUMBER 5PACIFIC DISTRICT
ANALYSIS OF
INITIAL CHARGE AND DISTANCE

Initial Distance	40¢	45¢	50¢	55¢	60¢	70¢	75¢	80¢	90¢	Total Cities
1 Mi.	-	-	1	-	-	-	-	-	-	1
4/5 "	-	-	1	-	-	-	-	-	-	1
3/4 "	-	-	2	-	-	-	-	-	-	2
2/3 "	-	-	1	-	-	-	-	-	-	1
1/2 "	-	-	7	-	-	-	-	-	-	7
2/5 "	-	-	3	-	2	-	-	-	-	5
1/3 "	-	-	-	-	1	-	-	-	-	1
1/4 "	-	8	32	1	2	1	-	-	-	44
1/5 "	1	5	15	1	5	1	1	1	-	30
1/6 "	-	-	1	-	14	-	-	-	1	16
1/7 "	-	-	-	-	1	-	-	-	-	1
1/8 "	-	-	-	-	1	-	-	-	-	1
TOTAL CITIES	1	13	63	2	26	2	1	1	1	110

SUBSEQUENT RATES AND DISTANCES

Chart No. 6 covers an analysis of subsequent rates and distances. This chart also provides information based on four population groups.

Chart No. 6 shows that 10¢ for each 1/4 mile, which is 40¢ per mile, and 10¢ for each 1/5 mile or 50¢ per mile, are in most common usage. Next in popularity is 10¢ for each 1/3 mile. Currently, more and more cities are changing to higher and more equitable rates.

We also call to your attention, that 10¢ units are used in 479 cities versus 5¢ units in only 17 cities. There are many reasons for the strong trend to the 10¢ unit. Please note the additional appearances of the 20¢ unit from last year.

CHART NUMBER 6NATIONWIDE ANALYSIS OF
SUBSEQUENT RATES AND DISTANCES

Subsequent	Cities 25,000 to	Cities 50,000 to	Cities 100,000 to	Cities 250,000 and Over	Total
Rate-Distance	50,000	100,000	250,000		Cities
20¢ 1/2 mile	1	-	-	-	1
20¢ 2/5 "	-	-	-	1	1
20¢ 1/3 "	1	1	-	-	2
10¢ 1/2 "	2	2	1	-	5
10¢ 2/5 "	12	4	-	-	16
10¢ 1/3 "	44	21	7	3	75
10¢ 3/10 "	2	-	-	-	2
10¢ 2/7 "	6	-	1	1	8
10¢ 1/4 "	79	67	35	23	204
10¢ 2/9 "	1	-	-	1	2
10¢ 1/5 "	42	41	20	18	121
10¢ 1/6 "	15	8	11	5	39
10¢ 1/7 "	3	2	-	-	5
10¢ 1/10 "	2	-	-	-	2
5¢ 1/5 "	9	1	-	-	10
5¢ 1/6 "	2	2	-	-	4
5¢ 1/8 "	-	2	-	1	3
TOTAL					
CITIES	221	151	75	53	500
10¢ Subsequent	210	146	75	52	483
5¢ Subsequent	11	5	-	1	17

SUBSEQUENT RATES AND DISTANCES CON'T.CHART NUMBER 7CENTRAL DISTRICT
ANALYSIS OF
SUBSEQUENT RATES AND DISTANCES

Subsequent	Cities 25,000 to	Cities 50,000 to	Cities 100,000 to	Cities 250,000 and Over	Total
Rate-Distance	50,000	100,000	250,000		Cities
10¢ 1/2 Mile	1	-	-	-	1
10¢ 2/5 "	6	4	-	-	10
10¢ 1/3 "	27	9	2	2	40
10¢ 2/7 "	4	-	-	1	5
10¢ 1/4 "	23	26	13	12	74
10¢ 1/5 "	9	10	5	5	29
5¢ 1/5 "	3	-	-	-	3
5¢ 1/6 "	1	1	-	-	2
TOTAL CITIES	74	50	20	20	114

CHART NUMBER 8EASTERN DISTRICT
ANALYSIS OF
SUBSEQUENT RATES AND DISTANCES

Subsequent	Cities 25,000 to	Cities 50,000 to	Cities 100,000 to	Cities 250,000 and Over	Total
Rate-Distance	50,000	100,000	250,000		Cities
10¢ 2/5 Mile	1	-	-	-	1
10¢ 1/3 "	3	4	1	-	8
10¢ 2/7 "	2	-	-	-	2
10¢ 1/4 "	18	16	6	3	43
10¢ 2/9 "	1	-	-	-	1
10¢ 1/5 "	8	11	5	4	28
10¢ 1/6 "	4	3	6	-	13
10¢ 1/7 "	2	-	-	-	2
10¢ 1/10 "	2	-	-	-	2
5¢ 1/5 "	3	-	-	-	3
5¢ 1/8 "	-	1	-	1	2
TOTAL CITIES	44	35	18	8	105

SUBSEQUENT RATES AND DISTANCES CON'T.CHART NUMBER 9SOUTHERN DISTRICT
ANALYSIS OF
SUBSEQUENT RATES AND DISTANCES

Subsequent	Cities 25,000 to	Cities 50,000 to	Cities 100,000 to	Cities 250,000 and Over	Total
Rate-Distance	50,000	100,000	250,000		Cities
20¢ 1/2 Mile	1	-	-	-	1
20¢ 1/3 "	1	-	-	-	1
10¢ 1/2 "	1	2	1	1	5
10¢ 2/5 "	5	-	-	-	5
10¢ 1/3 "	13	7	4	1	25
10¢ 2/7 "	-	-	1	-	1
10¢ 1/4 "	16	14	12	6	48
10¢ 1/5 "	7	7	4	5	23
10¢ 1/6 "	3	1	1	-	5
5¢ 1/5 "	3	1	-	-	4
5¢ 1/6 "	1	1	-	-	2
5¢ 1/8 "	-	1	-	-	1
TOTAL CITIES	51	34	23	13	121

CHART NUMBER 10PACIFIC DISTRICT
ANALYSIS OF
SUBSEQUENT RATES AND DISTANCES

Subsequent	Cities 25,000 to	Cities 50,000 to	Cities 100,000 to	Cities 250,000 and Over	Total
Rate-Distance	50,000	100,000	250,000		Cities
20¢ 2/5 Mile	-	-	-	1	1
10¢ 1/3 "	1	2	-	-	3
10¢ 3/10 "	2	-	-	-	2
10¢ 1/4 "	21	11	4	2	38
10¢ 2/9 "	-	-	-	1	1
10¢ 1/5 "	18	14	6	4	42
10¢ 1/6 "	9	3	4	4	20
10¢ 1/7 "	1	2	-	-	3
TOTAL CITIES	52	32	14	12	110

ANALYSIS OF AVERAGE THREE MILE TRIP

In an effort to arrive at a comparative revenue figure for various rates, we have used an average three mile trip and computed the revenue for each of the 500 cities on our list. No waiting time or extra charges are included in computations. See three mile rate chart, page 15, for your three mile rate for comparison.

CHART NUMBER 11NATIONWIDE ANALYSIS OF REVENUE PER THREE MILE TRIP

Three Mile Rate	25,000 to 50,000	50,000 to 100,000	100,000 to 250,000	250,000 and Over	Total Cities
90¢	2	1	-	-	3
95¢	3	-	-	-	3
\$1.00	2	-	1	-	3
1.05	7	5	-	-	12
1.10	18	5	-	-	23
1.15	8	4	1	-	13
1.20	13	5	-	-	18
1.25	13	3	2	1	19
1.30	12	8	1	2	23
1.35	3	6	4	-	13
1.40	7	4	1	1	13
1.45	8	9	2	2	21
1.50	17	15	7	2	41
1.55	11	14	7	2	34
1.60	31	15	15	10	71
1.65	3	1	1	6	11
1.70	2	7	2	1	12
1.75	3	3	1	2	9
1.80	2	3	3	1	9
1.85	9	9	1	3	22
1.90	21	20	8	10	59
1.95	3	3	3	-	9
2.00	4	2	4	3	13
2.05	-	2	1	1	4
2.10	1	1	2	1	5
2.15	1	-	-	-	1
2.20	4	1	2	1	8
2.30	9	2	5	3	19
2.35	-	-	1	-	1
2.40	-	-	-	1	1
2.50	-	1	-	-	1
2.60	2	2	-	-	4
3.00	2	-	-	-	2
TOTAL CITIES	221	151	75	53	500

AVERAGE FARES FOR THREE MILE TRIP

25,000 to 50,000 Population	221 Cities	\$1.541
50,000 to 100,000 "	151 "	1.594
100,000 to 250,000 "	75 "	1.714
Over 250,000 "	53 "	1.761
ALL CITIES	500	1.606

Mileage rates only - Exclusive of charges for traffic delay time or extras.

ANALYSIS OF AVERAGE THREE MILE TRIP - CONT'D.CHART NUMBER 12CENTRAL DISTRICT
ANALYSIS OF
THREE MILE TRIP

Three Mile Rate	25,000 to 50,000	50,000 to 100,000	100,000 to 250,000	250,000 and Over	Total Cities
\$1.05	3	2	-	-	5
1.10	6	4	-	-	10
1.15	7	2	-	-	9
1.20	9	2	-	-	11
1.25	8	2	1	1	12
1.30	4	3	-	1	8
1.35	-	2	-	-	2
1.40	3	1	-	1	5
1.45	3	2	1	1	7
1.50	8	5	-	-	13
1.55	7	7	3	1	18
1.60	5	8	4	4	21
1.65	2	-	-	5	7
1.70	1	2	1	-	4
1.75	-	-	-	1	1
1.80	-	-	1	-	1
1.85	2	2	1	-	5
1.90	4	2	2	3	11
1.95	-	2	3	-	5
2.00	2	-	1	1	4
2.05	-	-	-	1	1
2.20	-	-	1	-	1
2.30	-	-	3	-	3
TOTAL CITIES	74	48	22	20	164
AVERAGE THREE MILE TRIP - \$1.506					

ANALYSIS OF AVERAGE THREE MILE TRIP - CON'T.CHART NUMBER 13EASTERN DISTRICT
ANALYSIS OF
THREE MILE TRIP

Three Mile Rate	25,000 to 50,000	50,000 to 100,000	100,000 to 250,000	250,000 and Over	Total Cities
95¢	2	-	-	-	2
\$1.00	1	-	-	-	1
1.05	-	1	-	-	1
1.10	2	1	-	-	3
1.20	1	-	-	-	1
1.25	2	-	-	-	2
1.30	2	3	1	-	6
1.35	2	1	1	-	4
1.40	3	2	-	-	5
1.45	3	4	-	-	7
1.50	3	3	2	1	9
1.55	3	3	-	1	7
1.60	3	1	2	1	7
1.65	-	1	-	1	2
1.70	-	3	1	-	4
1.75	1	-	-	-	1
1.80	2	1	2	-	5
1.85	1	1	-	-	2
1.90	5	7	2	3	17
1.95	1	-	-	-	1
2.00	-	1	2	1	4
2.05	-	1	-	-	1
2.10	1	-	1	-	2
2.20	1	-	1	-	2
2.30	2	1	2	-	5
2.35	-	-	1	-	1
2.50	-	1	-	-	1
3.00	2	-	-	-	2
TOTAL CITIES	43	36	18	8	105
AVERAGE THREE MILE TRIP - \$1.682					

ANALYSIS OF AVERAGE THREE MILE TRIP - CON'T.CHART NUMBER 14SOUTHERN DISTRICT
ANALYSIS OF
THREE MILE TRIP

Three Mile Rate	25,000 to 50,000	50,000 to 100,000	100,000 to 250,000	250,000 and Over	Total Cities
90¢	2	1	-	-	3
95¢	1	-	-	-	1
\$1.00	1	-	1	-	2
1.05	4	2	-	-	6
1.10	8	-	-	-	8
1.15	1	2	1	-	4
1.20	3	2	-	-	5
1.25	3	1	-	-	4
1.30	5	2	-	1	8
1.35	1	3	3	-	7
1.40	-	1	1	-	2
1.45	2	3	1	1	7
1.50	4	2	2	1	9
1.55	1	3	3	-	7
1.60	2	2	5	4	13
1.65	1	-	1	-	2
1.70	1	1	-	-	2
1.75	2	3	1	1	7
1.80	-	1	-	-	1
1.85	1	1	1	3	6
1.90	3	3	1	1	8
1.95	1	-	2	-	3
2.00	2	-	-	-	2
2.10	-	1	-	-	1
2.20	2	-	-	1	3
TOTAL CITIES	51	34	23	13	121
AVERAGE THREE MILE TRIP - \$1.490					

ANALYSIS OF AVERAGE THREE MILE TRIP - CON'T.CHART NUMBER 15PACIFIC DISTRICT
ANALYSIS OF
THREE MILE TRIP

Three Mile Rate	25,000 to 50,000	50,000 to 100,000	100,000 to 250,000	250,000 and Over	Total Cities
\$1.10	2	-	-	-	2
1.20	-	1	-	-	1
1.30	1	-	-	-	1
1.40	1	-	-	-	1
1.50	2	5	-	-	7
1.55	-	1	1	-	2
1.60	21	4	3	1	29
1.70	-	1	-	1	2
1.80	-	1	-	1	2
1.85	5	4	-	-	9
1.90	9	8	3	3	23
1.95	1	-	1	-	2
2.00	-	1	1	1	3
2.05	-	1	1	-	2
2.10	-	-	-	1	1
2.15	1	-	-	-	1
2.20	1	1	1	-	3
2.25	2	-	-	-	2
2.30	5	1	3	3	12
2.40	-	-	-	1	1
2.60	2	2	-	-	4
TOTAL CITIES	53	31	14	12	110

AVERAGE THREE MILE TRIP - \$1.847

ANALYSIS OF AVERAGE THREE MILE TRIP - CON'T.

To facilitate relating these figures to the most commonly used rates, we have prepared Chart No. 16 which shows computations of fares for a three mile trip based on a variety of rates using a 50¢ drop. To determine the three mile fare for your rate, add or deduct the difference between your drop and 50¢ from various rates shown. For example, if your rate is 50¢ for the first 1/4 mile and 10¢ each succeeding 1/4 mile, your fare for a three mile trip would be \$1.60. If you do not have a new Rockwell guide for computing fares, it will be sent on request.

CHART NUMBER 16TYPICAL THREE MILE TRIPS WITH 50¢ DROP

Initial Distance	Subsequent Rate	Three Mile Fare	Initial Distance	Subsequent Rate	Three Mile Fare
1/8 Mile	10¢ 1/8 Mile	\$2.80	1/3 Mile	10¢ 1/4 Mile	\$1.60
" "	10¢ 1/6 "	2.30	" "	10¢ 1/3 "	1.30
" "	10¢ 1/5 "	2.00	2/5 "	10¢ 1/6 "	2.10
" "	10¢ 1/4 "	1.70	" "	10¢ 1/5 "	1.80
" "	10¢ 1/3 "	1.40	" "	10¢ 1/4 "	1.60
1/7 "	10¢ 1/7 "	2.50	" "	10¢ 1/3 "	1.30
" "	10¢ 1/6 "	2.30	1/2 "	10¢ 1/6 "	2.00
" "	10¢ 1/5 "	2.00	" "	10¢ 1/5 "	1.80
" "	10¢ 1/4 "	1.70	" "	10¢ 1/4 "	1.50
" "	10¢ 1/3 "	1.40	" "	10¢ 1/3 "	1.30
1/6 "	10¢ 1/6 "	2.20	2/3 "	10¢ 1/6 "	1.90
" "	10¢ 1/5 "	2.00	" "	10¢ 1/5 "	1.70
" "	10¢ 1/4 "	1.70	" "	10¢ 1/4 "	1.50
" "	10¢ 1/3 "	1.40	" "	10¢ 1/3 "	1.20
1/5 "	10¢ 1/6 "	2.20	3/4 "	10¢ 1/6 "	1.90
" "	10¢ 1/5 "	1.90	" "	10¢ 1/5 "	1.70
" "	10¢ 1/4 "	1.70	" "	10¢ 1/4 "	1.40
" "	10¢ 1/3 "	1.40	" "	10¢ 1/3 "	1.20
1/4 "	10¢ 1/6 "	2.20	1 "	10¢ 1/7 "	1.90
" "	10¢ 1/5 "	1.90	" "	10¢ 1/6 "	1.70
" "	10¢ 1/4 "	1.60	" "	10¢ 1/5 "	1.50
" "	10¢ 1/3 "	1.40	" "	10¢ 1/4 "	1.30
1/3 "	10¢ 1/6 "	2.10	" "	10¢ 1/3 "	1.10
" "	10¢ 1/5 "	1.90			

CHARGES FOR EXTRA PASSENGERS

It is generally considered an accepted fact in the industry that there is an average of about 1.5 passengers per trip. If there is an extra charge for each extra passenger, revenue would be increased per trip on the average, half of the extra charge per person. For example, if the extra charge is 10¢ per each passenger over one, revenue would be increased about 5¢ per trip.

Chart No. 17 shows an analysis of the extra passenger rates in effect in various population groups. It shows that about 30% of the cities charge for extras. Where charges are made for extra passengers, the 10¢ rate is most commonly used.

In some cases, the extra charges are for telephone calls, luggage or packages, stops, or for extra passengers over three or four, depending on regulations. Such charges are in the minority and have not been analyzed separately in this study.

Where extra passenger charges are collected through the meter, it is important that the amount of the charge be clearly indicated to prevent arguments with passengers.

(It is possible additional cities have rates involving charges for extra services on which our information is incomplete.)

CHART NUMBER 17EXTRA PASSENGER CHARGE ANALYSIS

Population Groups	0	5¢	10¢	15¢	20¢	25¢	50¢	Total Cities
25,000 to 50,000	154	0	29	8	11	18	1	221
50,000 to 100,000	105	1	22	2	11	10	0	151
100,000 to 250,000	54	0	7	2	6	6	0	75
Over 250,000	35	0	9	2	5	2	0	53
TOTALS	348	1	67	14	33	36	1	500

WAITING TIME

Chart No. 18 provides analysis of waiting time rates in cities by population groups. Charging for waiting time for traffic delays and for waiting at passenger's request are important factors in rate structure. They are important factors from viewpoints of driver revenue and service to the public. Drivers are often reluctant to work downtown area during the rush hours if not permitted to charge for traffic delays. This results in poor service to the public.

Where charging for traffic delays is prohibited, the mileage rate must be correspondingly higher to offset the unproductive delays. About 32% of the cities still charge for waiting time at a rate of 10¢ for two (2) minutes, or \$3 per hour. \$6 per hour is particularly gaining in popularity. The increase in average waiting time rates during the past year have amounted to 8.2% compared to an increase of 4.4% in mileage rates.

CHART NUMBER 18WAITING TIME ANALYSIS

Waiting Time Rate	Cities 25,000 to 50,000	Cities 50,000 to 100,000	Cities 100,000 to 250,000	Cities 250,000 and Over	Total Cities
\$1.50 Hour	1	-	-	-	1
2.00 "	7	5	-	-	12
2.40 "	1	-	-	-	1
2.50 "	1	-	-	-	1
3.00 "	83	52	20	7	162
3.50 "	-	1	-	-	1
3.60 "	1	1	-	-	2
4.00 "	62	45	18	22	147
4.50 "	4	5	3	1	13
4.80 "	3	4	-	1	8
5.00 "	24	18	10	4	56
6.00 "	27	18	24	18	87
6.66 "	1	-	-	-	1
7.20 "	1	-	-	-	1
8.00 "	2	2	-	-	4
10.00 "	1	-	-	-	1
12.00 "	2	-	-	-	2
TOTAL CITIES	221	151	75	53	500

OUT OF CITY RATES

Many cities make an additional charge for out of city trips. Such extra charges are usually based on the meter rate which may be doubled, or increased fifty percent, or increased in some other way. This is justifiable and necessary to compensate for back mileage where trips are one way.

The Rockwell Suburban meter has a built in feature, which increases the base rate as required for out of city trips, to place the full charge in the meter. It is used very successfully in many areas.

TYPICAL TAXICAB RATE CHANGES

OCTOBER 1970 TO OCTOBER 1971

CITY	NEW RATE		PER HOUR	EXTRAS
ALBANY, GEORGIA	40¢ 1/4	10¢ 1/4	\$4.00	25¢
ALBUQUERQUE, NEW MEXICO	50¢ 1/5	10¢ 1/5	6.00	20¢
ARCADIA, CALIFORNIA	60¢ 1/6	10¢ 1/6	6.00	
ASHTABULA, OHIO	70¢ 1	10¢ 1/5	6.00	
AUGUSTA, GEORGIA	45¢ 1/4	10¢ 1/4	4.00	
AUSTIN, TEXAS	50¢ 1/4	10¢ 1/4	6.00	
BAKERSFIELD, CALIFORNIA	50¢ 1/5	10¢ 1/5	6.00	
BALTIMORE, MD.	50¢ 1/3	10¢ 1/3	6.00	
BELLEVUE, WASH.	60¢ 1/6	10¢ 1/6	6.00	
BELLFLOWER, CAL.	60¢ 1/6	10¢ 1/6	6.00	
BENTON HARBOR, MICH.	60¢ 1/5	10¢ 1/5	6.00	
BRIDGEPORT, CONN.	50¢ 1/5	10¢ 1/5	6.00	
CHESTER, PA.	60¢ 1/4	10¢ 1/4	3.00	
COLUMBIA, S.C.	65¢ 1/4	10¢ 1/4	4.00	10¢
COLUMBUS, OHIO	50¢ 1/5	10¢ 1/5	4.00	
CORAL GABLES, FLORIDA	50¢ 1/6	20¢ 1/3	6.00	
CORNING, N.Y.	60¢ 1/2	10¢ 1/5	5.00	
DAYTON, OHIO	60¢ 1/5	10¢ 1/5	6.00	10¢
DAYTONA BEACH, FLA.	50¢ 1/2	10¢ 1/6	3.00	25¢
DES MOINES, IOWA	60¢ 1/4	10¢ 1/4	5.00	10¢
ELGIN, ILLINOIS	60¢ 1/5	10¢ 1/5	6.00	50¢
				(Deliveries)
FORT LEE, N.J.	60¢ 1/3	10¢ 1/6	6.00	
FRESNO, CAL.	60¢ 1/6	10¢ 1/6	6.00	
GAINESVILLE, FLA.	35¢ 1/5	10¢ 1/5	4.00	
GETTYSBURG, PA.	50¢ 1/2	10¢ 1/5	4.00	
GREENSBORO, N.C.	55¢ 2/5	10¢ 1/5	4.00	
HARRISBURG, PA.	50¢ 1/5	10¢ 1/5	4.00	
HIALEAH, FLA.	50¢ 1/6	10¢ 1/6	6.00	25¢
HOLYOKE, MASS.	60¢ 1/6	10¢ 1/6	4.00	
HONOLULU, HAWAII	70¢ 1/6	10¢ 1/6	6.00	25¢

TYPICAL TAXICAB RATE CHANGES-CON'T.

CITY	NEW RATE		PER HOUR	EXTRAS
HUNTINGTON PARK, CAL.	60¢	1/6	10¢ 1/6	6.00
JEFFERSON CITY, MO.	60¢	1/4	10¢ 1/5	4.00
JOHNSTOWN, PA.	50¢	1/5	10¢ 1/5	4.00
KALAMAZOO, MICHIGAN	55¢	1/5	10¢ 1/5	5.00
KILEEN, TEXAS	45¢	1/4	10¢ 1/5	6.00
KNOXVILLE, TENNESSEE	55¢	1/2	10¢ 1/5	6.00
LAKE FOREST, ILLINOIS	45¢	1/6	10¢ 1/6	6.00
LANCASTER, PA.	55¢	1/3	10¢ 1/3	4.00
LANSING, MICHIGAN	60¢	1/5	10¢ 1/5	6.00
MARTINSVILLE, VA.	50¢	3/5	10¢ 1/5	4.50
MELBOURNE, FLA.	50¢	1/2	10¢ 1/4	6.00
MIAMI, FLA.	50¢	1/6	10¢ 1/6	6.00
MONTEREY PARK, CAL.	60¢	1/6	10¢ 1/6	6.00
MOUNTAIN VIEW, CAL.	60¢	1/6	10¢ 1/7	7.20
NEEDHAM, MASS.	50¢	3/7	10¢ 1/7	6.00
NIAGARA FALLS, N.Y.	70¢	3/4	10¢ 1/5	6.00
NORFOLK, VA.	50¢	1/2	10¢ 1/5	6.00
ORLANDO, FLA.	50¢	1/5	10¢ 1/5	6.00
PALO ALTO, CAL.	60¢	1/6	10¢ 1/7	8.00
PATERSON, N.J.	\$1.50	1	10¢ 1/6	4.00
PENSACOLA, FLA.	50¢	1/2	10¢ 1/4	4.00
PHOENIX, ARIZONA	60¢	1/5	10¢ 1/5	6.00
PICO RIVERA, CAL.	50¢	1/6	10¢ 1/6	5.00
PITTSBURGH, PA.	50¢	1/4	10¢ 1/5	4.00
PROVIDENCE, R.I.	65¢	1/6	10¢ 1/6	6.00
RICHMOND, CAL.	60¢	1/7	10¢ 1/7	6.00
SACRAMENTO, CAL.	60¢	1/5	10¢ 1/6	6.00
SAGINAW, MICHIGAN	55¢	1/5	10¢ 1/5	6.00
ST. PETERSBURG, FLA.	50¢	1/4	10¢ 1/4	4.00
SAN FRANCISCO, CAL.	60¢	1/8	10¢ 1/6	6.00
SAN GABRIEL, CAL.	60¢	1/6	10¢ 1/6	6.00
SANTA ANA, CAL.	45¢	1/4	10¢ 1/6	6.00
SCHENECTADY, N.Y.	85¢	1	10¢ 1/6	5.00
SCRANTON, PA.	60¢	1/2	10¢ 1/4	4.00
SHREVEPORT, LA.	55¢	1/5	10¢ 1/5	6.00
SPRINGFIELD, MASS.	60¢	1/6	10¢ 1/6	4.00
SPRINGFIELD, MO.	45¢	1/5	10¢ 1/5	4.00
STOCKTON, CAL.	60¢	1/6	10¢ 1/6	4.00
TACOMA, WASH.	80¢	1/5	10¢ 1/5	6.00
TALLAHASSEE, FLA.	50¢	1/5	10¢ 1/5	6.00
THOMASVILLE, N.C.	50¢	1/3	10¢ 1/3	4.50
TYLER, TEXAS	40¢	1/5	10¢ 1/5	6.00
WATERTOWN, N.Y.	50¢	1/2	10¢ 1/4	5.00
WELLESLEY, MASS.	60¢	4/7	10¢ 1/7	6.00
WILMINGTON, N.C.	80¢	1/2	10¢ 1/5	6.00
WINDSOR LOCKS, CONN.	35¢	1/4	10¢ 1/4	6.00
WINSTON SALEM, N.C.	50¢	1/4	10¢ 1/4	4.00
WOONSOCKET, R.I.	50¢	1/5	10¢ 1/5	6.00
WORCESTER, MASS.	60¢	1/6	10¢ 1/6	6.00
YORK, PA.	55¢	1/3	10¢ 1/5	3.00
NEW YORK, NEW YORK	60¢	1/5	10¢ 1/5	5.00

