RULES AND REGULATIONS

Title 52—PUBLIC UTILITIES

PENNSYLVANIA PUBLIC UTILITY COMMISSION [52 PA. CODE CH. 29] [L-2016-2556432]

Taxi and Limousine Industries; Temporary Regulations

> Public Meeting held December 8, 2016

Commissioners Present: Gladys M. Brown, Chairperson, joint statement follows; Andrew G. Place, Vice Chairperson; John F. Coleman, Jr., joint statement follows; Robert F. Powelson; David W. Sweet, dissenting

Temporary Regulations

Act 85 of 2016, effective July 13, 2016, provides, inter alia, that the Commission shall promulgate temporary regulations governing the taxi and limousine industries within 150 days of the effective date of Act 85. Act 85 exempted the temporary regulations from various procedural requirements established by the Commonwealth Documents Law, the Commonwealth Attorneys Act, and the Regulatory Review Act. The temporary regulations will expire upon the promulgation of final-form regulations or November 4, 2018, whichever is later.2

According to Act 85, the temporary regulations "shall address all of the following:

- (I) the use of log sheets and manifests, including the storage of information on digital or other electronic devices.
- (II) metering addressing the use of a variety of technologies.
- (III) vehicles' age and mileage, including procedures to petition for exceptions to age and mileage standards.
- (IV) marking of taxis, including advertising.
- (V) the operation of lease-to-own taxi and limousine equipment subject to the following conditions:
- (a) providing required levels of insurance on the vehicle.
- (b) ensuring that the vehicle is subject to and complies with all vehicle inspection requirements.
- (c) ensuring that the driver complies with all the requirements of 52 Pa. Code Ch. 29 subch. F (relating to driver regulations).
- (d) terminating insurance provided to a driver who completes the purchase of the vehicle or who no longer provides driver services to the taxi or limousine company.
- (VI) taxi tariffs, including rate and tariff change procedures for both meters and digital platforms. Regulations shall reflect reduced or flexible rates and tariffs as appropriate.

¹ 45 Pa.C.S. §§ 1101 et seq., 71 P.S. §§ 732-101 et seq., and 71 P.S. §§ 745.1 et seq.,

- (VII) procedures for cancellations, no-shows and cleaning fees.
- (VIII) limousine tariffs, including rate and tariff change procedures. Regulations shall reflect reduced or flexible rates and tariffs as appropriate.
- (IX) driver requirements, including criminal history background check requirements and driving record requirements.
- (X) vehicle requirements, including compliance with environmental, cleanliness, safety and customer service standards, including special safety requirements for children.
- (XI) requirements for continuous service and exceptions for unexpected demand and personal health and safety."

Act 85, Section 1602-M. In the Commission's opinion, the enumeration of these subject areas is intended to facilitate an examination and implementation of updated regulatory requirements for the taxi and limousine industries in Pennsylvania in order to recognize changes in technology, customer demand and expectations, and competitive challenges. However, while we intend to fully address these subject areas and to make changes where warranted, we do not intend to diminish our commitment to vehicle safety, driver integrity and adequate insurance to protect the public.

On August 11, 2016, the Commission issued an Advance Notice of Temporary Rulemaking soliciting all interested parties' comments regarding the temporary regulations. The Advance Notice was published in the Pa. Bulletin and directed that comments must provide specific suggestions for any proposal, including suggested regulatory language, with appropriate citations to current regulations that address the particular comment. 46 Pa.B. 5538. Additionally, we directed that comments must provide the underlying rationale to support any suggested temporary regulations. Comments to the Advance Notice were filed by the Mercatus Center, Gegen, LLC, Raiser-PA LLC, Regency Transportation Group, LTD, Clarion County Taxi, Inc., Star Limousine Service, Inc., Cranberry Taxi, Inc., Air Star Transportation and Limousine Service, Inc., Classy Cab Company, Inc. Yellow Cab Company of Pittsburgh, Pennsylvania Taxi and Paratransit Association, Greater Pennsylvania Taxicab Association, Erie Transportation Services, Inc., South Shore Limousine, LLC, and Metro Transportation of Pa., LLC.³

We have reviewed our regulations and the comments filed. Based on our review, we hereby issue the following temporary regulations.

§ 29.62. Interruption of service.

Commentators suggest that we modify our regulations governing service interruption to allow for situations of high demand where taxi service cannot be provided timely, as well as service to geographic areas that may be unsafe. Commentators suggest that we adopt language permitting "reasonable continuous service."

We agree with Commentators that maintaining a taxi fleet to be utilized only during peak demand periods may be cost prohibitive. In fact, we have never required carriers to maintain an under-utilized standby fleet,

⁴⁵ Fal. C.5. ys 1101 et seq., 111.6. ys 102-101 et seq., and 172.6. ys 122-101 et seq., and 172.6. et seq., and 172.6.

³ We collectively refer to all commentators as "Commentators."

recognizing the economic realities attendant thereto. This position is consistent with 66 Pa.C.S. § 1501's requirement that service be reasonably continuous without unreasonable interruptions or delay. However, we do not perceive this is a situation requiring regulatory change, since reasonableness is already built into the service requirement. As such, an occasional inability to meet peak demand does not amount to a per se violation of Section 1501. Therefore, as has been our policy, we will continue to require the call for service be served if the customer so desires, albeit with a projected pick-up time supplied to the customer if the request for service cannot be satisfied timely. We also note that our relaxation of the vehicle ownership requirement, infra., as well as utilization of "dual motor carrier" authority, will also help carriers respond to peak demand periods.

We also agree that a driver should not be forced to service an area that is unsafe. However, a determination of what constitutes an unsafe area cannot be a completely subjective determination, as proposed by the Commentators. Therefore, while a driver may refuse to serve an area due to his personal concerns about safety, this will not provide complete immunity from an enforcement action. Therefore, we decline to adopt the Commentators proposal and will continue to consider this issue on an individual basis, as is our current policy.

In sum, we are not inclined to modify our regulations governing continuity of service.

§ 29.101. Operation of leased equipment. (taxi)

Commentators suggest that we revise our regulations to allow for the driver of a taxicab vehicle to own the vehicle. This prohibition against driver ownership stems from the Commission's desire to ensure that the certificate holder maintain control and supervision, and the ultimate responsibility over the operation, maintenance and safety of the vehicles used to serve the public. We recognize that service provided by transportation network companies (TNCs) does not have this ownership requirement, nor do other forms of passenger and property transportation. We also recognize that TNC service competes with taxi service without the costs associated with vehicle ownership absorbed by the certificate/license holder. This allows TNCs to respond to periods of peak consumer demand without the necessity of maintaining an underutilized stand-by fleet.

We see no reason this same flexibility cannot be extended to the taxicab industry. Indeed, we believe that this flexibility will encourage broader service in those areas that struggle to support full-time, dedicated taxicab service. We stress that all vehicles, whether owned by the certificate holder or the driver, will be required to meet our regulatory safety standards, and it remains the certificate holder's responsibility to ensure compliance. As such, any safety violations and attendant civil penalties will be assessed against the certificate holder. Additionally, we will continue to require the certificate holder to provide insurance coverage, as evidenced by a Form E, for the vehicles while in service, with notice to the driver delineating the extent of coverage provided by the certificate holder's insurer during service. Finally, we will require notice to any lienholder as well as the driver's insurer, of the intended use of the vehicle as a taxicab. Under these circumstances, we will modify our regulations to allow for this flexibility.

§ 29.106. Taxicab service zones-Philadelphia.

This provision concerns assigning taxicab zones within Philadelphia. Since the Commission no longer regulates taxicab service in Philadelphia, this provision is unnecessary and should be removed.

§ 29.313. Service standards and requirements. (taxi)

Commentators suggest we modify our regulation governing taxicab service standards to permit electronic data collection in lieu of handwritten log sheets. We agree with this concept, since technology has, in many cases, obviated the need for a paper record. However, a carrier will still be required to retain these records for a specified period in a suitable electronic format, as our regulation currently allows. We do note that our current regulations allow a carrier request approval from the Commission for alternative methodologies for log sheet completion. Notwithstanding this flexibility, we will nonetheless explicitly provide for electronic log sheets and will modify our regulations accordingly.

§ 29.314. Vehicle and equipment requirements. (taxi)

Commentators suggest that we modify our regulations governing (taxi) vehicle and equipment requirements to permit the use of "soft" meters; e.g., tablets or computers. We agree with this suggestion, noting that we have approved similar devices for the TNC industry. However, these devices will necessarily need to be properly calibrated and verified to the extent they are replacing traditional meters.

Commentators also suggest that we waive our 350,000 mile vehicle limitation for hybrid, alternative fuel, and wheelchair accessible vehicles. We are not inclined to adopt this proposal. We believe that the 350,000 mileage limitation established by our regulations reflects an appropriate limitation on a vehicle's use, regardless of whether that vehicle may be a hybrid, alternative fuel, or wheelchair accessible vehicle. Similarly, we reject Commentators suggestion to extend a vehicle's permissible use to no more than 400,000 miles, for the same reason.

Finally, we note that the Commission already has permanent regulations to address waivers from or exceptions to the taxi mileage and age limits. Any Petitions for Waiver of Regulations may be filed consistent with Section 5.43 of the Code, 52 Pa. Code 5.43. The Commission has reviewed and granted several such waivers under this provision since the taxi mileage and age limits went into effect. Accordingly, it is not necessary to add what would be duplicative language to these temporary regulations.

§ 29.315. Alternative forms of compensation. (taxi)

Commentators suggest deleting this section as superfluous due to Act 164. However, we are not persuaded to delete this provision at this time. To the extent it is repetitive, as Commentators suggest, we will address that in a subsequent rulemaking. In its present form, Commentators do not allege that this provision unnecessarily restricts or impacts their operations. Additionally, we will make necessary modifications to this provision to accommodate driver owned/leased vehicles.

§ 29.316. Tariff requirements. (taxi)

Commentators suggest that we modify our tariff provisions governing taxi service to allow flexible rates that would be based on mileage, time, or both. Commentators allege that TNCs enjoy flexible pricing while taxi companies, which compete with TNCs, are at a disadvantage due to stricter tariff requirements. Commentators sugges-

tions were supported by letters submitted to the Commission by various members of the General Assembly.

We are mindful that the advent of TNC service in Pennsylvania has acted as a catalyst for change in the traditional economic regulation of the passenger carrier industry. The change occasioned by the development of TNC service extends beyond solely the TNC service. TNC service is not subject to many of the requirements of the industries with which it competes. It would be a failure of regulators to not recognize that TNC service is competing with the taxi and limousine industries, and to not make appropriate adjustments to the regulation of those industries.

We agree that in today's competitive transportation market, taxis must be able to modify their pricing in a way that allows them to effectively compete with TNC service. Traditionally, taxis have been bound to a rigid tariff structure, while TNCs are able to vary their pricing based on market demands. This has resulted in an uneven playing field where taxis have been unable to implement innovative pricing models or respond to market conditions as nimbly as TNCs.

Recognizing this disparity, the Commission modifies its regulations to permit taxis to use dynamic pricing. An essential part of this flexibility is permitting taxis to make fare changes in real-time, without advance notice to the Commission, as provided for in a filed and approved tariff. If taxis are to meaningfully compete with TNCs, who can change their pricing models continuously, they must be given the same rate flexibility.

However, in considering this issue, it is important to recognize that there is a key difference between traditional taxi service and TNC service, which is the lack of a required digital platform for taxi service. The use of a digital platform allows TNCs to provide riders with written estimates of the fares before they accept the ride. In contrast, if a customer hails a taxi on the street, the opportunity for disclosure of an upfront fare is more limited.

Thus, although it is essential to permit real-time, flexible pricing for taxis, this is not a change that should occur automatically with the adoption of these regulations. Rather, individual carriers who desire to implement flexible, dynamic pricing should file tariff proposals with the Commission for approval. This will give the Commission the opportunity to review flexible tariff structures on a case-by-case basis, just as for traditional taxi tariffs and for TNCs implementing dynamic pricing. As a condition for approval, any flexible taxi tariff proposal must include consumer protections that involve automatic upfront disclosure of the fare to the customer. Notifying customers of the fare prior to the ride is especially important in rural areas or areas where no effective competition exists. Moreover, flexible taxi tariffs should provide that any real-time pricing models will be computed to comply with the Pennsylvania Price Gouging Act, 73 P.S. §§ 232.1, et

For taxi companies that do not to implement flexible rates and continue to operate pursuant to nonflexible tariffed rates, the Commission will allow them to change their tariffed rates upon one (1) days' notice to the Commission with no supporting financial justification for the rates.

§ 29.317. Accounting requirements for alternative forms of compensation for drivers. (taxi)

We have made necessary revisions to this provision to account for the owner/driver model.

§ 29.332. Method of operation. (limousine)

Commentators suggest that this regulation be updated to allow for telephone or internet (app) reservations. Additionally, Commentators suggest prohibiting hotel doormen/valets from brokering instantaneous limousine reservations. We agree with these suggestions and will modify our regulations accordingly.

§ 29.333. Vehicle and equipment requirements. (limousine)

Commentators suggest we place a 10 year age limit on limousines in addition to our 350,000 mile limitation. We decline to adopt this suggestion. We believe that the mileage limitation in our regulations is sufficient to ensure that vehicles used in limousine service meet sufficient standards. These vehicles are generally not utilized in the extreme service environment of a taxicab and are well maintained. Under these circumstances, we are not inclined to add another restriction on vehicles used in limousine service.

§ 29.334. Tariff requirements. (limousine)

Commentators suggest that we modify our tariff provisions governing limousine service to allow flexible rates that would be based on mileage, time, or both. Commentators allege that TNCs enjoy flexible pricing while limousine companies, which compete with TNCs, are at a disadvantage due to stricter tariff requirements.

We note that we have previously relaxed rate oversight of the limousine industry by allowing rates to be effective on one (1) days' notice to the Commission with no supporting financial justification for the rates. Investigation of Flexible Ratemaking for the Bus and Limousine Industries, Docket No. I-00960063 (Order entered October 16, 1997). We later determined that those rates should be solely time-based to reflect the true nature of limousine service—advance reservation, luxury service. Final Rulemaking Amending 52 Pa. Code Chapters 29 and 31; Docket No. L-00020157 (Order entered August 11, 2005). However, we are also cognizant that there exists a demand for limousine service beyond the traditional prom/wedding type of service. For instance, consumers arriving to an airport may wish to avail themselves of a higher level of service, typically known as black car service, than taxicab service. We believe that our regulatory framework should allow for this service. Currently, TNCs can offer this service as an upgrade to their basic transportation offering, simply supplying a limousine type vehicle.

In light of the non-essential nature of limousine service, we believe that permitting pricing flexibility similar to TNC service is appropriate. We recognize that these industries are in direct competition under certain circumstances and should enjoy parity of regulation. This parity can be achieved without sacrificing the essential character of limousine service. Therefore, we will adopt flexible pricing, based on time, mileage, or both, for limousine service.

Individual carriers who desire to implement flexible, dynamic pricing should file tariff proposals with the Commission for approval. This will give the Commission the opportunity to review flexible tariff structures on a case-by-case basis, just as for TNCs implementing dynamic pricing. As a condition for approval, any flexible limousine tariff proposal must include consumer protections that involve automatic upfront disclosure of the fare to the customer. Moreover, flexible limousine tariffs

should provide that any real-time pricing models will be computed to comply with the Pennsylvania Price Gouging Act, 73 P.S. §§ 232.1, et seq.

§ 29.335. Trip sheet requirements. (limousine)

Commentators suggest that we modify our current regulations governing limousine trip sheets to include the option of maintaining this information in an electronic format. However, a carrier will still be required to retain these records for a specified period in a suitable electronic format. We agree with this recommendation and will modify our regulations accordingly.

§ 29.402. Vehicle and equipment requirements.

Commentators suggest that we modify our regulations governing taxicab advertising. Specifically, Commentators suggest a relaxation on the advertising prohibitions so as to permit vehicle wrapping and placards for taxicabs. We agree with Commentators and will modify our regulations accordingly.

§ 29.403. Requirements for passenger service operation.

Commentators suggest we modify this provision to provide for child restraint systems and to prohibit smoking by taxi drivers. We agree that smoking in any vehicle used in common carrier service, not just taxicabs, should be prohibited. This prohibition should extend to passengers and drivers. Even if both a driver and passenger would choose to smoke, it is inappropriate to subject the next passenger to the lingering effects of smoke. As for the child restraint system proposal, we are not inclined to adopt this proposal at this time due to the complex factual and policy issues involved. This issue is more appropriately considered in the context of a rulemaking order.

§ 29.405. State inspection.

Commentators suggest we revise this provision to ensure that a vehicle that is not an active part of a carrier's fleet is not subject to inspection by the Commission. This is already the practice in place and we will decline this suggestion.

§ 29.502. Current driver's license required.

Commentators suggest that we amend this regulation to limit liability to a carrier who knowingly permits a person to operate a vehicle without a valid driver's license. Additionally, Commentators suggest that we disqualify a driver who does not hold a license and subject the driver to fines.

Our regulations currently require that only licensed drivers may operate a vehicle. Therefore, there is already a disqualification, per se, in place for unlicensed drivers. However, a driver is not a certificate holder and we believe that it is more appropriate to place the ultimate responsibility on the carrier, not the driver, to ensure compliance with licensing. Lack of knowledge, without more, is not an adequate excuse for permitting a nonlicensed driver to operate a vehicle in common carrier service. Therefore, we decline to adopt the proposals.

§ 29.504. Driver history.

Commentators propose that we modify our current regulation to allow non-government entities to provide carriers with the relevant driver histories. Additionally, Commentators suggest that we disqualify any driver who has more than three (3) moving violations in the last three years or a 'major' violation, such as reckless driving, driving with a suspended license, or evading a police officer. Finally, Commentators suggest that carriers be protected from liability for violations of this section if a

driver fails to inform the carrier of the violation or if the driver history report and notification system is not available from the state agency.

The General Assembly recently considered the issue of driver history compliance in Act 164 of 2016. Therein, the following provision was adopted regarding TNC drivers:

§ 2604.1. Licensure requirements.

* * *

(5) Prior to permitting a person to act as a transportation network company driver on its digital network, a transportation network company shall do all of the following:

* * *

- (ii) obtain and review a driving history research report for the person from the department of transportation and other relevant sources. A person with more than three moving violations in the three-year period prior to the check or a major violation in the three-year period prior to the check may not be a transportation network company driver.
- (iii) one year after engaging a transportation network company driver and every second year thereafter, conduct the criminal background and driving history checks required by this subsection and verify that a transportation network company driver continues to be eligible to be a driver.

We believe that the Legislature's treatment of TNC drivers should be equally applicable to taxi and limousine drivers and addresses Commentators' concerns. Therefore, we will adopt this language, with appropriate modifications, and replace our current regulation governing this issue.

§ 29.505. Criminal history.

Commentators propose that we modify our current regulation to allow non-government entities to provide carriers with the relevant criminal background histories for drivers of taxis and limousines. Additionally, Commentators suggest we provide more detail regarding disqualifying criminal behavior than found in our current regulations

The General Assembly recently considered the issue of driver criminal background checks in Act 164 of 2016. Therein, the following provision was adopted regarding TNC drivers:

§ 2604.1. Licensure requirements.

* * *

- (5) Prior to permitting a person to act as a transportation network company driver on its digital network, a transportation network company shall do all of the following:
- (i) conduct or have a third party conduct a local and national criminal background check for each driver applicant. The background check shall include a multistate or multijurisdictional criminal records locator or other similar commercial nationwide database with primary source search validation and a review of the United States Department of Justice national sex offender public website. The transportation network company shall disqualify an applicant convicted of certain crimes in accordance with the following:
- (a) an applicant convicted of any of the following within the preceding seven years:

- (i) driving under the influence of drugs or alcohol.
- (ii) a felony conviction involving theft.
- (iii) a felony conviction for fraud.
- (iv) a felony conviction for a violation of the Act of April 14, 1972 (p.l. 233, no. 64), known as the Controlled Substance, Drug, Device and Cosmetic
- (b) an applicant convicted of any of the following within the preceding 10 years:
- (i) use of a motor vehicle to commit a felony.
- (ii) burglary or robbery.
- (c) an applicant convicted of any of the following at any time:
- (i) a sexual offense under 42 Pa.C.S. § 9799.14(c) or (d) (relating to sexual offenses and tier system) or similar offense under the laws of another jurisdiction or under a former law of this Commonwealth.
- (ii) a crime of violence as defined in 18 Pa.C.S. § 5702 (relating to definitions).
- (iii) an act of terror.

(iii) one year after engaging a transportation network company driver and every second year thereafter, conduct the criminal background and driving history checks required by this subsection and verify that a transportation network company driver continues to be eligible to be a driver.

We believe that the Legislature's treatment of TNC drivers should be equally applicable to taxi and limousine drivers and adequately addresses the Commentators' concerns.

Therefore, we will adopt this language, with appropriate modifications, and replace our current regulation governing this issue.

Based on the foregoing, we hereby promulgate Temporary Regulations governing the taxi and limousine industries, as set forth in Annex A; Therefore,

It Is Ordered That:

- 1. The regulations of the Commission, 52 Pa. Code Chapter 29, are amended by deleting § 29.106 and amending §§ 29.101, 29.313—29.317, 29.332, 29.334, 29.335, 29.402, 29.403, 29.504 and 29.505 to read as set forth in Annex A, consistent with Act 85 of 2016.
- 2. This Order shall be served on all Commentators by the Secretary's Bureau.
- 3. The Law Bureau will serve this Order on the Office of Budget.
- 4. The Law Bureau shall deposit this Order with the Legislative Reference Bureau to be published in the Pennsylvania Bulletin.
- 5. These Temporary Regulations shall become effective upon publication in the Pennsylvania Bulletin.
- 6. Temporary Regulations shall expire upon promulgation of final form regulations or on November 4, 2018, whichever is later.
- 7. The contact person for legal matters concerning this temporary rulemaking is John Herzog, Deputy Chief Counsel, Law Bureau, (717) 783-3714. Alternate formats of this document are available to persons with disabilities

and may be obtained by contacting Alyson Zerbe, Regulatory Review Coordinator, Law Bureau, (717) 772-4597.

ROSEMARY CHIAVETTA,

Secretary

Fiscal Note: 57-316. No fiscal impact; (8) recommends

Statement of Chairperson Gladys M. Brown and Commissioner John F. Coleman, Jr.

Before the Public Utility Commission (Commission or PUC) today are temporary regulations governing the taxi and limousine industries, as required by Act 85 of 2016 (Act 85). These regulations upon approval, will update the regulatory requirements for the taxi and limousine industry. We appreciate the efforts of all of those involved in this endeavor, particularly the Law Bureau.

Numerous parties filed comments to our Advance Notice of Temporary Rulemaking issued on August 11, 2016. Inherent in those comments was the assertion that taxi and limousine companies should be permitted to implement dynamic pricing to allow them to be competitive with the Transportation Network Companies (TNCs), which we support. As technology has evolved, we should allow these entities the ability to adapt and change with that technology. However, we do have some concerns with flexible pricing, particularly in rural areas or areas where little to no competition exists. Our primary concern is whether the customer has prior knowledge of the price change and what alternatives exist for that individual.

While we support the Motion offered by Commissioner Powelson, we want to ensure that necessary consumer protections are in place. When a taxi or limousine company makes a request with this Commission for permission to impose flexible pricing, included in that filing should be a specific framework of the flexible pricing model which would provide an explanation on how customers will be notified in advance of fares when flexible pricing is in effect.

While we understand that the complexion of the transportation industry is rapidly changing, our responsibility to ensure safe and reliable service, and to protect the public interest, remains the same.

> GLADYS M. BROWN, Chairperson

JOHN F. COLEMAN, Jr., Commissioner

Annex A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION Subpart B. CARRIERS OF PASSENGERS OR PROPERTY

CHAPTER 29. MOTOR CARRIERS OF PASSENGERS

Subchapter B. COMMON CARRIERS MISCELLANEOUS PROVISIONS

§ 29.101. Operation of leased equipment.

- (a) General provisions. General provisions include the following:
- (1) Common carriers. Common carriers shall operate vehicles in compliance with this title and of the laws of the Commonwealth.
- (2) Drivers. When used in the authorized service of the lessee, leased vehicles shall be operated by drivers quali-

- fied under Subchapter F (relating to driver regulations) when operating vehicles with seating capacities of 15 or less, including the driver, or Chapter 37 (relating to safety code for transportation of property and passengers) when operating vehicles with seating capacities of 16 or more, including the driver.
- (3) Insurance and registration. Leased vehicles shall be covered by insurance as provided by § 32.11 (relating to passenger carrier insurance) and conform with the requirements for registration of vehicles as set forth in 75 Pa.C.S. §§ 101—9901 (relating to Vehicle Code).
- (4) Capacity. The operation of leased vehicles may in no event be assumed to permit an increase in the number of vehicles or in the seating capacity of vehicles where so limited by the terms of the certificate.
- (5) Control. Vehicles shall be owned by or leased by the certificateholder. Operation and service shall be under the direct control and supervision of the certificateholder. A common carrier of passengers may not lease a vehicle to a driver, except as provided in subsection (f), regarding call or demand service.
- (b) Lease agreements. Lease agreements must conform with the following:
- (1) Content. Leases of vehicles must be in writing, specifically set forth the terms of the lease including obligations assumed such as maintenance and fuel, compensation, and the duration of the lease, and be executed by the parties or their authorized agents or officers.
- (2) Copies of lease and distribution. The following applies to copies and distribution of the lease:
- (i) Preparation. Lease agreements must be prepared in triplicate, the original to be retained by the certificate-holder in whose service the equipment is to be operated. The original shall be retained at the principal office of the certificate-holder, one copy to be retained by the owner of the equipment and one copy to be carried on the leased vehicle for the duration of the contract. The certificate-holder shall retain leases for 2 years following their expiration date.
- (ii) Certificates. In lieu of a copy of the lease, a certificate or rental form identifying the leased vehicle shall be carried on the leased vehicle certifying that the equipment is to be operated exclusively in the service of the certificateholder named therein as lessee, the names and addresses of the owner and lessee, the date of the lease, the location of the original lease retained by the certificateholder and the exact expiration date of the lease. This certificate or rental form shall be certified as true and correct by the certificateholder or an authorized representative.
- (c) Safety inspection. It is the duty of the certificate-holder, before taking possession of equipment, to inspect the equipment or to have the equipment inspected by a person who is competent and qualified to make an inspection as a representative of the carrier to insure that the equipment is in a safe condition to be operated on the highway. The person making the inspection shall certify the results thereof. The certification shall be retained by the certificateholder for at least 1 year. If the inspection discloses that the equipment is not in a safe condition to be operated on the highways, possession thereof may not be taken by the certificateholder.
- (d) Registration of vehicles. When the Department of Transportation, at the request of the owner, designates the lessee certificateholder as the registrant of the vehicle

- and the name and address of the lessee are substituted for the address of the lessor, the Commission will approve the registration when the certificate is in good standing, but the approval is effective only for the period during which the lease remains in effect.
- (e) *Identification*. If a removable device is used to identify the operating carrier as lessee, the device must be made of durable material securely affixed to the vehicle operated throughout the duration of the lease. Upon relinquishing possession of the equipment, the certificateholder operating the leased vehicle under this subsection shall remove the legend or removable device displayed on the vehicle.
- (f) Call or demand. The following applies to call or demand carriers operating leased equipment:
- (1) The holder of a call or demand certificate may lease vehicles it owns or leases to drivers for operation in the service of the certificateholder only under the following conditions:
- (i) The leased vehicle shall be operated under the direct control and supervision of the certificateholder.
- (ii) The driver-lessee of the vehicle and the certificate-holder shall be required to keep and retain daily log sheets as prescribed by § 29.313(c) (relating to service standards and requirements).
- (iii) The certificateholder shall be required to furnish and maintain adequate service to the public which shall be reasonably continuous and without unreasonable interruptions or delays.
- (iv) The leasing plan of the certificateholder must conform with $\S 29.315$ (relating to alternative forms of compensation).
- (2) A certificateholder may use a vehicle owned or leased by a driver in its certificated service. The certificateholder may lease this vehicle from the driver or may allow the driver to operate under its authority without a lease. The following conditions apply to driver owned or leased vehicles:
- (i) The vehicle shall be operated under the direct control and supervision of the certificateholder.
- (ii) The driver and the certificateholder are required to keep and retain daily log sheets as prescribed by § 29.313(c).
- (iii) The certificateholder is required to furnish and maintain adequate service to the public which shall be reasonably continuous and without unreasonable interruptions or delays.
- (iv) The certificateholder shall provide insurance coverage for vehicles while in service. The driver shall provide notification to the driver's insurer, in writing, that the vehicle will be used in taxicab service. The driver shall provide a copy of the written notification to the certificateholder. The certificateholder shall maintain the notification for 3 years following the termination of the driver from the certificateholder's service.
- (v) The certificateholder shall provide to the driver written notice of insurance coverage and limits while operating in its service. This notice must indicate if comprehensive and collision coverage are provided while the vehicle is used in service and shall be signed by the driver. The certificateholder shall maintain the notification for 3 years following the termination of the driver from the certificateholder service.

- (vi) The driver shall provide written notice to a lienholder or lessor that the vehicle will be used in taxicab service. The driver shall provide a copy of the written notification to the certificateholder. The certificateholder shall maintain the notification for 3 years following the termination of the driver from the certificateholder's service
- (vii) The certificateholder shall ensure that all vehicles meet the taxicab vehicle requirements provided in this chapter while the vehicles are in service.
- (viii) For purposes of this subsection, a vehicle is "in service" when the vehicle is available for hire, regardless of whether a passenger is in the vehicle.
- (ix) The certificateholder shall ensure that all drivers meet the driver requirements provided in this chapter.

§ 29.106. (Reserved).

Subchapter D. SUPPLEMENTAL REGULATIONS CALL OR DEMAND SERVICE

§ 29.313. Service standards and requirements.

- (a) Required to provide service. A driver of a call or demand vehicle shall, at all times when on duty and not engaged, furnish trip service on demand to an orderly person for lawful purposes.
- (b) Shortest route to be followed. A driver of a call or demand vehicle shall transport passengers to their destinations by the shortest practical route, unless directed by a passenger to take a different route.
- (c) Log sheets. A driver of a vehicle in call or demand service shall keep a log sheet or manifest for each shift he operates unless some other method is, upon petition, specifically approved by the Commission. The log sheet may be in electronic format, with the data supplied by either the driver or the certificateholder's dispatch system. These log sheets shall be filled out contemporaneously with the trip, on a form supplied by the certificateholder. The log sheets shall be retained by the certificateholder for at least 2 years. Log sheets may be retained in electronic format. Log sheets, or comparable printouts from an electronic storage device, shall be turned over upon request to an authorized representative of the Commission upon the rendering of a receipt. Drivers shall fill out the log sheets with the following information:
 - (1) The date.
- (2) The time he commenced the shift and the time he ended the shift and ceased driving.
 - (3) The vehicle identification number.
- (4) The times and places of origin and destination of each trip including the odometer or meter mileage at the origin and destination of each passenger trip. Origin and destination places shall contain a street name and address or, if unavailable, an identifiable landmark.
- (5) The number of passengers and the fare collected on each trip, indicating separately each fare collected from each passenger or party of passengers sharing the ride.
- (6) Each trip on which packages were delivered and the charge for the trip.
- (7) The meter readings at the beginning and end of each shift, if applicable.

- (8) The name and number of the driver.
- (9) The signature of the driver attesting to the accuracy of the data recorded, including an electronic signature when appropriate.
 - (10) Other information as may be required by this title.
- (d) *Baggage*. No charge may be made by a certificate-holder or driver for a hand baggage or hand luggage carried by a fare-paying passenger.
- (e) Expressage. The driver may carry packages or parcels when the merchandise is accompanied by a passenger but shall refuse to carry the packages or parcels when the contents cause the vehicle to become stained or evil smelling. Nothing contained in this subsection may be interpreted as permitting the hiring of vehicles for expressage purposes only unless the rights are specifically included in a certificate held by the carrier.
- (f) Fare receipts. The driver of a call or demand vehicle shall, if requested, deliver to the person paying for hire of the same, at the time of payment, a correct receipt therefor. Upon this receipt shall be legibly printed or written the name of the carrier, a method of identifying the vehicle and its driver, items for which a charge is made, the total amount paid and the date of payment. A certificateholder shall supply each of its drivers with blank receipts assembled in book form.

§ 29.314. Vehicle and equipment requirements.

- (a) Seating capacity. A call or demand service may be operated only in vehicles with seating capacities of eight passengers or less, excluding the driver.
- (b) *Meters*. Meters must conform with the following requirements:
- (1) A call or demand vehicle operated within this Commonwealth shall be equipped with a meter.
- (2) The meter shall be installed in the front of the vehicle so that, at all times, it is plainly visible to and the fare is readily ascertainable by all occupants of the vehicle. The face of the meter must be properly illuminated at all times.
- (3) No meter affixed to a vehicle may be operated from a drive other than the transmission of the vehicle unless some other method is, upon petition, specifically approved by the Commission.
- (4) Unless otherwise permitted by the Commission, the meter and meter driving equipment must be sealed so that the meter case, meter driving equipment or additional gear boxes, if any, cannot be disconnected without breaking a seal.
- (5) The responsibility for sealing the meter and appurtenant equipment and for maintaining the seals intact while the vehicle is in operation lies with the certificateholder.
- (6) It is the responsibility of the certificateholder to cause the meters to be so regulated that the fare is calculated and registered in accordance with the current tariff rates on file with and approved by the Commission.
- (7) The meter must be in operation during the entire time the vehicle is engaged by a passenger, and the passenger shall be required to pay only the amount recorded by the meter, except that, when back-mileage or surcharge provisions of the tariff of the carrier apply, the back-mileage charge or surcharge shall be added to the amount recorded by the meter. Each meter charge shall be collected only once regardless of whether the vehicle is being used in exclusive service or in nonexclusive service.

- (8) Paragraph (7) does not apply when the filed tariff provides for a flat rate in lieu of a metered charge for transportation beyond a certain mileage point or for a zone-based fare structure. This paragraph is invalid after January 1, 2007.
- (9) Nothing herein precludes the use of an alternative device to traditional mechanical meters, such as a tablet or computer, that the Commission approves upon petition of a certificateholder. An alternative device must meet the requirements established for meters, including accuracy and consumer information requirements.
- (c) Vehicle age and mileage. A vehicle that is more than 10 model years old or has more than 350,000 miles of cumulative mileage registered on its odometer may not be operated in call and demand service. For example, for a vehicle with less than 350,000 miles, the last day on which a 2016 model year vehicle may be operated in taxi service is December 31, 2026. Electric vehicles, hybrid electric vehicles and vehicles utilizing alternative fuels, as defined in 75 Pa.C.S. §§ 102 and 9002 (relating to definitions), may operate in call and demand service until the vehicle age of 12 model years or the cumulative mileage level of 350,000 miles registered on the odometer. For example, for a vehicle with less than 350,000 miles, the last day on which a qualifying model year 2016 alternative fuel vehicle, hybrid electric vehicle or electric vehicle may be operated in taxi service is December 31, 2028. This subsection is effective January 19, 2016.
- (d) *Dome lights*. Unless otherwise permitted by the Commission, vehicles operated by call and demand carriers must have a dome light affixed to the roof of the vehicle. The dome light shall be visible from a distance of 100 feet from the front and rear of the vehicle. The dome light shall be illuminated only when a customer does not occupy the vehicle.

§ 29.315. Alternative forms of compensation.

- (a) Certificateholders' plans for alternative forms of compensation for call or demand drivers, as permitted by § 29.101 (relating to operation of leased equipment), must conform with the following conditions:
- (1) The certificateholder shall at all times own the vehicles, lease the vehicles, or use vehicles owned or leased by drivers.
- (2) The certificateholder shall be responsible for providing and maintaining insurance as required under § 32.11 (relating to passenger carrier insurance).
- (3) The certificateholder shall comply with Subchapters E and F (relating to vehicle equipment and inspection; and driver regulations).
- (4) Vehicles shall be kept at specifically designated garages or parking locations when they are not being used in the public service. If the vehicles are driver owned or leased, those vehicles are exempt from this requirement.
- (5) The certificateholder shall ensure that drivers adhere to regular shifts of operation and utilize disciplinary procedures for drivers who fail to adhere to these shifts. If the vehicles are driver owned or leased, those vehicles are exempt from this requirement.
- (6) The certificateholder shall require a stated payment from drivers for use of the vehicles and shall permit drivers to keep all revenues and gratuities in excess of this stated payment. If the vehicles are driver owned or leased, those vehicles are exempt from this requirement.

- (7) For those certificateholders utilizing radio dispatching, the vehicles they operate shall be radio-dispatched. The certificateholder shall ensure that drivers answer radio dispatches promptly and utilize disciplinary procedures for drivers who fail to answer radio dispatches.
- (8) The certificateholder shall be responsible for daily supervision of drivers and utilize disciplinary procedures for drivers who fail to comply with applicable laws, including this title.
- (b) Certificateholders whose plans for alternative forms of driver compensation do not conform with the conditions in subsection (a) shall submit plans to the Commission for review 30 days in advance of a proposed starting date. Review will include but will not necessarily be limited to the factors enumerated in subsection (a).
- (c) In all alternative forms of compensation for drivers, whether authorized by this section or by order of the Commission, the certificateholder and driver shall comply with § 29.317 (relating to accounting requirements for alternative forms of compensation for drivers).

§ 29.316. Tariff requirements.

- (a) Charges. Every call or demand carrier shall charge, according to its tariffs filed, posted and published in accordance with law and this title, the amount as is calculated and registered on the meter or other approved device.
- (1) Nonflexible rates. Nonflexible rate tariffs for call or demand carriers must be based on time, mileage or a combination of both.
- (i) Posting of fare rate. Every operator of a call or demand service with fares based on nonflexible rates using a meter or other device shall post the rates of fare in a conspicuous place in each of its vehicles.
- (ii) Notice of tariff changes. Notwithstanding the requirements of § 23.41 (relating to notice requirements for filing changes in rates), changes to established nonflexible rates may be effective upon 1 day's notice to the Commission with no minimum time limit on the operation of the previous rate. Supporting financial justification for tariff changes utilizing nonflexible rates is not required.
- (2) Flexible rates. Upon Commission approval and conditions as may be appropriate, call or demand carriers may adopt a tariff utilizing a flexible pricing model that allows rates to change in real time in response to the supply of available taxis and the demand for service. Tariffs utilizing flexible rates shall be filed with the Commission and may be effective on 30 days' notice to the Commission. Supporting financial justification for tariffs utilizing flexible rates is not required. Tariffs utilizing flexible rates must include a notification procedure that discloses the estimated fare to customers prior to the beginning of the trip. Tariffs must comply with the Price Gouging Act (73 P.S. §§ 232.1—232.5).
- (b) Full fare information about alternative services. When a customer requests call or demand service from a certificateholder who offers service under tariffs authorizing both exclusive and nonexclusive services: the dispatcher shall, if requested by the customer, quote to the customer the estimated fare for the trip of the customer as priced under both of these two alternative services, considering the number of people in the traveling group of the customer; and the dispatcher shall explain to the customer, if necessary, the difference in these two types of service.

§ 29.317. Accounting requirements for alternative forms of compensation for drivers.

- (a) Revenues.
- (1) Log sheets required to be prepared under § 29.313(c) (relating to service standards and requirements) shall be signed, including the use of an electronic signature, by the lease driver, independent contractor or another designation of a person not an employee-driver of a call or demand certificateholder—lease driver—and turned in to an authorized employee. The employee shall sign and retain a log sheet and attest to the signature of the driver who is responsible as to the accuracy of the revenues reported, which agrees with the information shown on the sealed meter at the end of a shift.
- (2) It is the responsibility of the certificateholder to ensure that appropriate information from the log sheets is properly and correctly recorded under §§ 29.41 and 29.43 (relating to accounts and records; and assessment reports).
 - (b) Expenses.
- (1) A copy of receipts relative to operating expenses incurred to keep the vehicle in operating condition shall be given to the certificateholder by a lease driver or nonemployee driver of a call or demand certificateholder.
- (2) It is the responsibility of the certificateholder to insure that reported expenses are properly and correctly recorded in the accounting records required by the Commission in § 29.41.
- (c) Reporting. At the end of a calendar year, the certificateholder shall supply a lease driver, upon request, with a statement of operating revenues and operating expenses based on the information supplied as required under subsections (a) and (b). The statement may be provided during the calendar year when appropriate.

LIMOUSINE SERVICE

§ 29.332. Method of operation.

Unless otherwise specifically provided in the certificate of public convenience, a common carrier operating limousine service shall have the rights and be subject to the conditions as follows:

- (1) To transport persons on an exclusive basis between points as authorized by the certificate, if the order for service is received in advance of the actual rendering of service and not by street hail.
- (2) To charge for service based upon use of a limousine with payment made by a single person or organization and not by passengers as individuals.
- (3) Direct, in-person solicitation of a passenger by the driver or a representative of the driver or carrier, is prohibited.
- (4) Reservations for service may be made by telephone, Internet or smartphone application. Verbal requests for service, including requests by hotel doormen, valets or other employees, are prohibited.

§ 29.334. Tariff requirements.

(a) Nonflexible rates. Nonflexible rate tariffs for limousines must be based on time, mileage or a combination of both. Nonflexible rate tariffs shall be filed with the Commission and may be effective on 1 day's notice to the Commission. Supporting financial justification for tariff changes utilizing nonflexible rates is not required. The use of meters is prohibited.

(b) Flexible rates. Upon Commission approval and conditions as may be appropriate, limousine carriers may adopt a tariff utilizing a flexible pricing model that allows rates to change in real time in response to the supply of available limousines and the demand for service. Tariffs utilizing flexible rates shall be filed with the Commission and may be effective on 30 days' notice to the Commission. Supporting financial justification for tariff changes utilizing flexible rates is not required. The use of meters is prohibited. Tariffs utilizing flexible rates must include a notification procedure that discloses the estimated fare to customers prior to the beginning of the trip. Tariffs must comply with the Price Gouging Act (73 P.S. §§ 232.1—232.5).

§ 29.335. Trip sheet requirements.

- (a) A driver of a luxury type vehicle engaged in providing limousine service shall have a trip sheet in the vehicle evidencing that the vehicle is in service. The trip sheet may be in electronic format, with the data supplied by either the driver or the certificateholder's dispatch system. The trip sheet must contain the following information:
 - (1) The date of service.
 - (2) The name and certificate number of the carrier.
 - (3) The name of the engaging person or organization.
- (4) The service being provided and corresponding rate charged.
 - (5) The origin and intended destination.
- (6) The starting time and length of time for which the vehicle has been reserved.
- (b) At the conclusion of the trip, the driver shall record the ending time on the trip sheet.
- (c) The trip sheet shall be retained by the certificate-holder for a minimum of 1 year. Trip sheets may be retained in electronic format.

Subchapter E. VEHICLE EQUIPMENT AND INSPECTION

§ 29.402. Vehicle equipment requirements.

A common carrier or a contract carrier may not permit a vehicle having a seating capacity of 15 passengers or less, including the driver, to be operated unless it complies with the following requirements:

- (1) Vehicles must comply with applicable Department of Transportation equipment inspection standards as set forth in 67 Pa. Code Chapter 175 (relating to vehicle equipment and inspection) at all times when the vehicle is being operated.
- (2) Vehicles must have door hinges and latches in working order, and doors must operate easily and close securely.
- (3) Unless otherwise permitted by the Commission, advertising on vehicles is limited to the exterior roof of the vehicle. Advertising displayed on a vehicle shall be securely fastened and may not obscure the driver's view in any direction.
- (4) Advertising, including the use of cab tops, signs, placards and wrapping of vehicles, is permitted. Advertising may not obscure vehicle markings required under § 29.71 (relating to marking of vehicles), may not obscure the driver's view in any direction and must be securely fastened to the vehicle.

§ 29.403. Requirements for passenger service operation.

A common carrier or a contract carrier may not permit a vehicle having a designed seating capacity of 15 passengers or less, including the driver, to be operated to transport passengers unless it complies with the following requirements, in addition to those in § 29.402 (relating to vehicle equipment requirements):

- (1) Vehicles which are equipped with folding, temporary or removable seats must have hinges, latches, brackets or other hardware associated with the seats in working order.
 - (2) Vehicles must be in clean and sanitary condition.
- (3) Vehicles must have a factory-type heater, capable of producing heat for the accommodation of passengers. The heater must be in working order.
- (4) Trunk compartments must be clean and suitable for carrying passengers' luggage.
- (5) Vehicles must have snow tires or all-weather tires on the drive wheels between October 1 and April 1 of the following year.
- (6) A vehicle's exterior may not have any dents or gouges larger than 4 inches in diameter or damage that protrudes from the vehicle.
- (7) A vehicle must have four matching wheel covers, or the equivalent.
 - (8) A vehicle must have operative air conditioning.
- (9) A vehicle's seats must be secure and not be damaged so as to allow springs or other cushioning or support devices to protrude through the seat.
- (10) Smoking is prohibited in vehicles used in taxicab and limousine service.

Subchapter F. DRIVER REGULATIONS § 29.504. Driver history.

- (a) Common or contract carriers, except for call or demand and limousine drivers.
- (1) A common or contract carrier may not permit a person to operate a vehicle in its authorized service until it has obtained and reviewed a driver history from the appropriate agency of every state in which that person held a motor vehicle operator's license or permit during the preceding 3 years.
- (2) Following receipt of the initial driver history report, a common or contract carrier shall, at least once every 12 months from the date of the last report, obtain a driver history for each driver operating under its authority from the appropriate agency of the state in which the driver held an operator's license during the time period. Compliance with this subsection does not relieve a common or contract carrier of the responsibility to ensure its drivers hold a current, valid driver's license.
- (3) A copy of the driver history shall be maintained by the common or contract carrier for at least 2 years.
 - (b) Call or demand and limousine drivers.
- (1) Prior to permitting a person to act as a call or demand or a limousine driver, a carrier shall obtain and review a driving history research report for the person from the Department of Transportation and other relevant sources. A person with more than three moving violations in the 3-year period prior to the check or a major violation in the 3-year period prior to the check may not be a call or demand or limousine driver.

- (2) One year after engaging a driver and every second year thereafter, a carrier shall conduct the driving history check required under this subsection and verify that a driver continues to be eligible to be a driver.
- (3) A copy of the driver history shall be maintained by the call or demand or limousine driver for at least 2 years.

§ 29.505. Criminal history.

- (a) Common or contract carriers, except for call or demand and limousine drivers.
- (1) Criminal history record required. A common or contract carrier may not permit a person to operate a vehicle in its authorized service until it has obtained and reviewed a criminal history record from the Pennsylvania State Police and every other state in which the person resided for the last 12 months. For current drivers, carriers shall obtain a criminal history record by November 9, 2006.
- (2) Frequency of record check. Following receipt of the initial criminal history record, a common or contract carrier shall obtain and review a criminal history record for each driver operating under its authority from the Pennsylvania State Police every 2 years from the date of the last criminal history check.
- (3) Disqualification. A common or contract carrier may not permit a person to operate a vehicle in its authorized service when the person was convicted of a felony or a misdemeanor under the laws of the Commonwealth or under the laws of another jurisdiction, to the extent the conviction relates adversely to that person's suitability to provide service safely and legally.
- (4) *Record retention*. A copy of the criminal history shall be maintained by the common or contract carrier for at least 3 years.
 - (b) Call or demand and limousine drivers.
- (1) Criminal background check. Prior to permitting a person to act as a call or demand or limousine driver, a carrier shall conduct or have a third party conduct a local and National criminal background check for each driver applicant. The background check must include a multistate or multijurisdictional criminal records locator or other similar commercial Nationwide database with primary source search validation and a review of the United States Department of Justice National sex offender public web site. The carrier shall disqualify an applicant convicted of certain crimes in accordance with the following:
- (i) An applicant convicted of any of the following within the preceding 7 years:
 - (A) Driving under the influence of drugs or alcohol.
 - (B) A felony conviction involving theft.
 - (C) A felony conviction for fraud.
- (D) A felony conviction for a violation of The Controlled Substance, Drug, Device and Cosmetic Act (35 P.S. §§ 780-101—780-144).
- (ii) An applicant convicted of any of the following within the preceding 10 years:
 - (A) Use of a motor vehicle to commit a felony.
 - (B) Burglary or robbery.
- (iii) An applicant convicted of any of the following at any time:

- (A) A sexual offense under 42 Pa.C.S. \S 9799.14(c) or (d) (relating to sexual offenses and tier system) or similar offense under the laws of another jurisdiction or under a former law of the Commonwealth.
- (B) A crime of violence as defined in 18 Pa.C.S. § 5702 (relating to definitions).
 - (C) An act of terror.
- (2) Frequency. One year after engaging a driver and every second year thereafter, the criminal background and driving history checks required under this subsection shall be conducted and that a driver continues to be eligible to be a driver shall be verified.
- (3) Record retention. A copy of the criminal history shall be maintained by the call or demand or limousine driver for at least 3 years.

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