

02-02-035

Shared Ride

ORIGINAL

~~HR 105~~

COMMITTEE ON TRANSPORTATION

PENNSYLVANIA HOUSE OF REPRESENTATIVES

Temple University

Ritter Hall

Philadelphia, Pennsylvania

on

September 10, 1985

9:30 a.m.

McKinley Wise & Associates, Inc.
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PANEL MEMBERS:

GORDON J. LINTON, *Presiding*

JOSEPH W. BATTISTO

VICTOR JOHN LESCOVITZ

WILLIAM R. LLOYD, JR.

THOMAS J. MURPHY, JR.

MARIO J. CIVERA, JR.

CHARLES F. NAHIL, JR.

DENNIS M. O'BRIEN

BENJAMIN H. WILSON

ALSO PRESENT:

MARK COHEN

JOHN FOX

GEORGE SAURMAN

1 CHAIRMAN LINTON: Good morning.

2 I would like, first of all, before we
3 call the hearing formerly to order, I would like
4 to inform those who have wheelchairs and walkers
5 that we do have a ramp at the end of the building
6 which you can use to get down. And also for those
7 who are seeking to testify and are using a
8 wheelchair, who are able to go to the ramp and you
9 will be able to station yourself at this table at
10 my left where you can testify.

11 We'll just move the microphone to that
12 table so that you have access to a microphone.

13 (Pause.)

14 I would like to call to order the Special
15 Hearing of the House Task Force on 203 Shared Ride
16 Program. I would like to identify for all of you
17 the members of the House who are sitting here this
18 morning listening to your testimony.

19 To my left is Representative Tom Murphy,
20 Representative Bill Lloyd next to Mr. Murphy. To
21 my right, immediate right, Representative Ben
22 Wilson, Representative Civera to the right of Mr.
23 Wilson, next to Representative Civera is Mr.
24 Landis who is the staff person, Minority Chairman

1 of the Transportation House Committee.

2 To my -- next to Mr. Landis is Mr.
3 Lescovitz, Representative Lescovitz and to our far
4 right, Charlie Nahill, representative Charles
5 Nahill.

6 We also have Chuck Cruz from Senator
7 Stout's office and to my immediate left is Mr.
8 Kasper, Scott Kasper, staff person for the
9 Majority of the House Transportation Committee.

10 We also expect to have Amos Hutchinson,
11 the Chairman of the Full House Transportation
12 Committee to join us shortly.

13 There has been a great deal of
14 controversy and also some confusion over the
15 period of the last year related to the 203 Shared
16 Ride Program. That controversy has resulted in
17 court suits, has resulted in many types of task
18 forces in various meetings and has also created a
19 lot of concern amongst many of the senior citizens
20 across the population throughout the Commonwealth
21 of Pennsylvania and we, the members of the House,
22 have heard from you, have heard your letters and
23 understand the concerns that you have in
24 maintaining the 203 Shared Ride Program.

1 Today we would like to elicit some
2 testimony from all the parties involved. That
3 includes the senior citizens, the Department of
4 Transportation; it includes the providers and also
5 the various agencies that are affected but we
6 would hope that this would not put you in just an
7 adversary position which many have gotten into.

8 What we're hoping to do is to listen to
9 the problems, identify the problems so that we may
10 come up with a solution. It is my opinion and
11 also the opinion of many of my colleagues that the
12 203 Shared Ride Program, which was created by the
13 legislature -- and it's my opinion and also the
14 opinion of my colleagues that many of the
15 solutions we feel are ultimately going to be the
16 responsibility of the legislative body.

17 With that in mind, I would hope that we
18 use the opportunity today to, one, identify the
19 problems and see if we can come to a solution so
20 that we can maintain what I consider a lifeline
21 and that's the 203 Shared Ride Program.

22 With that, I would like to call up our
23 first witness.

24 Today we'll have representatives from the

1 Department of Transportation. I would like to
2 have Mr. Don Bryant of Secretary Larson's office,
3 and Mr. Bill Underwood, if you would like to come
4 up to the table or whomever decides to testify
5 from the Department. I believe they have a
6 statement which they would like to read into the
7 record so that we can have a position from the
8 Secretary of Transportation, the Honorable Thomas
9 Larson.

10 MR. LARSON: Thank you very much. I'm
11 very pleased to be here.

12 This program, as you rightly point out,
13 is a lifeline program and it's a program where
14 there has been a very sharp learning experience
15 for many of us as we have tried to administer the
16 details of this program. It, of course, is one of
17 many programs funded by the lottery.

18 I have with me a recent report of the
19 lottery which shows that the transportation
20 activity has accounted for \$359 million over the
21 period 1981 through 1985. So out of \$2.2 billion,
22 transportation has accounted for 359 million, and
23 this is one of the rapidly growing areas in the
24 total lottery program for seniors.

1 I will be brief. I recognize that there
2 are many people that have important offerings to
3 make here this morning. I want to thank the House
4 Committee and the members of the audience really
5 for allowing me to testify today concerning this
6 vitally important Shared Ride Program.

7 I'm here today because the administration
8 of Governor Dick Thornburgh, the Department of
9 Transportation and the Department of Aging are
10 very concerned about protecting our senior
11 citizens, concerned about safeguarding the Shared
12 Ride Program which is funded by the State Lottery
13 as I've indicated, and concerned about protecting
14 the integrity of other transit services.

15 I'm also here today to stress that this
16 administration remains committed to not only
17 continuing this program but to improving it.

18 It is a public misconception that we plan
19 to cut services and that we plan to reduce funding.
20 We're committed to maintaining this essential ride
21 program and to maintaining its funding.

22 Secretary of Aging, Alma Jacobs, and I
23 share the concerns about this program. Last week
24 we both met with users and providers of the Shared

1 Ride Program to explain our concerns and to
2 solicit their help in returning and restoring
3 reason to this senior citizen benefit. Those
4 meetings will continue this week.

5 Almost all of these concerns are shared
6 by the senior citizens, the transit operators and
7 the area agencies on aging. But in addition to
8 discussing concerns, we're here to listen and to
9 learn what others have to say about the Shared
10 Ride Program.

11 As I've said, we have been learning
12 literally since we started and we're clearly in
13 need in help of our administering of this program.
14 I believe that by working together we can
15 alleviate problems that threaten this important
16 transit program, problems that threaten services
17 so vital to hundreds of thousands of our state's
18 elderly.

19 Lottery-funded transportation programs
20 for seniors began in 1972 with the free transit
21 program that provides rides, mostly in urban areas
22 during nonpeak hours. These rides are provided by
23 fixed route transit systems such as buses, subways
24 and trolleys.

1 In 1984-85, reimbursement from the
2 lottery fund for this program was \$56.7 million.

3 The Shared Ride Program, the subject of
4 our concern today and the concern of so many
5 people across Pennsylvania, recently began in 1980
6 and was implemented largely to provide essential
7 transportation for seniors living in areas without
8 fixed route service and for seniors unable to use
9 it.

10 Under the Shared Ride Program, the
11 lottery reimburses operators 90 percent of the
12 cost of a ride, with the senior citizen picking up
13 one-tenth of the cost. And in some instances, the
14 share for eligible seniors is paid for by Triple
15 As.

16 In 1983-84, we paid operators at this
17 program \$11.4 million in lottery funds to provide
18 these rides for our senior citizens.

19 In 1984-85, reimbursements jumped to
20 \$28.2 million, an increase of 148 percent.

21 Our concern for the program mainly
22 centers on two areas:

23 One, to eliminate program abuses which
24 are needlessly squandering the resources devoted

1 to our senior citizens; and, two, to improve
2 operating efficiencies of the program so the
3 greatest number of shared rides are provided to
4 senior citizens per lottery dollars that are spent.
5 Like all shoppers, we want our senior citizens to
6 get the best value for their lottery dollars.

7 During recent audits of the program, we
8 found cases where seniors were being overcharged
9 and where the program was being abused. One
10 company charged seniors a fare of \$2.75, although
11 the authorized fare was \$1.60. One carrier
12 charged a minimum fare for seniors that was 70
13 percent higher than the approved minimum fare.

14 We found that this in this city, here in
15 Philadelphia, the average cost to the lottery for
16 each senior citizens ride is \$10.49. That same
17 person arranging for a conventional taxi trip is
18 paying \$6.23.

19 Now, I would ask you, who is being taken
20 for a ride? Why should prearranged trips with
21 more than one rider costs more than 50 percent
22 more than a single taxi ride?

23 This is senior citizen exploitation.
24 These are examples of lottery funds being taken

1 from the pocketbooks of senior citizens. This is
2 lottery money that could and should provide
3 additional rides for our senior citizens.

4 Other audits have shown that some
5 companies fail to verify that the riders are
6 eligible, Another example of money being taken
7 from the pocketbooks of eligible seniors.

8 But you may ask, how can we protect our
9 seniors? How can we protect their pocketbooks?
10 How can we protect the stability of the lottery
11 fund?

12 This is our concern and should also be
13 the concern of senior citizens everywhere.

14 This administration is committed to a
15 number of principles that we believe will protect
16 our seniors, protect their pocketbooks and
17 alleviate problems to the program.

18 Amongst the principles we're committed to
19 are the following:

20 First, assuring that Shared Ride service
21 is available to all seniors.

22 Second, providing free Shared Rides for
23 seniors who meet income criteria to make essential
24 trips. Seniors will merely need to register with

1 their Triple As.

2 Next, coordinating services among
3 carriers. This will improve the efficiency of the
4 program, increase ridership on each trip and lower
5 the cost so that we get the best value for our
6 lottery dollar, and I should say for your lottery
7 dollar.

8 Next, we believe that we must improve
9 recordkeeping by the carriers and by the Triple As.

10 And, lastly, we believe there should be a
11 policy to encourage seniors to use free fixed ride
12 transportation if it is available and if the
13 seniors are physically and mentally able to do so.

14 To show you how important it is that
15 seniors continue to use fixed route services
16 whenever possible, I want to note that last year
17 the lottery fund paid fixed route operators a
18 statewide average of 87 cents for each senior ride,
19 less than \$1 per person.

20 The Shared Ride Program, the topic of our
21 discussion, took a bigger bite of the lottery fund,
22 eating up an average of \$5.76 per senior ride,
23 more than six times the cost of fixed route
24 service.

1 As you can see, our concerns are your
2 concerns, the concerns of seniors, the concerns of
3 the carriers and the concerns of the Triple As.
4 We're attempting to improve the operation of this
5 program, improve it to protect our elderly riders
6 and improve it to safeguard the lottery fund.

7 These improvements are not designed to
8 place a hardship on our seniors but are needed to
9 protect them, to prevent senior citizen
10 exploitation. They're needed to guarantee that
11 seniors are served by an accountable and
12 reasonably operated and reasonably priced transit
13 program. It is this quality of service that they
14 need and that they deserve.

15 Thank you very much.

16 (Applause.)

17 CHAIRMAN LINTON: Thank you, Secretary
18 Larson.

19 Before you leave, I would like to mention
20 to the members -- some of the members may have a
21 few questions. I want to remind the members that
22 we do plan to have the Department of
23 Transportation and the Department of Aging and the
24 PUC and other agencies at our hearings in

1 Harrisburg. It's my hope that the majority of the
2 time that we use at this hearing today will be
3 spent hearing testimony from the seniors that are
4 affected; also, from the various agencies and the
5 providers.

6 We also plan to do that again when we go
7 out West with the intent of gathering the
8 information that we need to better discuss the
9 issues, as we see it, with the various state
10 departments.

11 So if you have questions to ask of the
12 Secretary, please keep them brief.

13 Representative Lloyd.

14 BY MR. LLOYD:

15 Q. Mr. Secretary, just very briefly.

16 Your list of principles with which you
17 are operating now, does thought include anything
18 with regard specifically to your previous proposal
19 that the area agency on aging and other third-
20 party groups not be allowed to pick up the 10
21 percent?

22 What is the Department's current position
23 on that?

24 A. The position is, as I have stated, that

1 the area agencies will have the right to provide
2 the 10 percent or to be the third-party sponsors.
3 That is the current policy.

4 Q. And that will continue to be the policy,
5 as far as you are concerned?

6 A. That is correct.

7 Q. One other thing. You talk about applying
8 or allowing for free shared rides for seniors to
9 meet income criteria.

10 What specific income criteria do you have
11 in mind and what is your reaction to the argument
12 that that is too complicated to administer?

13 A. Well, the standards are the same that are
14 used for the PACE program, \$12,000 single, \$10,000
15 for two, and in terms of administration, we
16 believe that the self-certification that we intend
17 to recommend essentially removes all
18 administrative burdens. It would be, we think, a
19 very minimal burden to people to follow this
20 requirement.

21 Q. So, in other words, if somebody else is
22 eligible for the PACE program, he's eligible to
23 participate and have the 10 percent picked up by
24 the area agency on aging?

1 A. That's correct.

2 MR. LLOYD: Thank you.

3 CHAIRMAN LINTON: Representative Murphy.

4 BY MR. MURPHY:

5 Q. Secretary Larson, you gave an example of
6 the average cost of rides in Philadelphia, \$10.49
7 versus a conventional taxi trip. That \$10.49, is
8 that legitimate?

9 Are you suggesting that the fares or the
10 rides they are authorized to go higher or too high
11 or is that illegitimate?

12 Is that money that's being charged over
13 and above what has been authorized?

14 A. We have the details on these particular
15 examples and we have many other examples. In our
16 mind, it is nothing more or less than exploitation
17 of this program.

18 Q. What I'm trying to find out is
19 exploitation under the auspices of the Governor?
20 Are those costs authorized, or people with
21 companies providing these services, are they doing
22 this unauthorized?

23 Are they charging more?

24 A. That's a very difficult question,

1 Representative.

2 The fare setting is complicated by the
3 fact that in some cases the PUC has, in fact, set
4 a Shared Ride fare. In other cases they have
5 simply allowed a fare to go in place because they
6 didn't really have the data to back up setting a
7 fare. So I can't give you a definitive answer to
8 whether this is a government-authorized, PUC
9 authorized rate, or whether it is a rate that is
10 simply one that was contrived for this particular
11 program.

12 In the future, it is our policy -- and we
13 have met with the PUC and have their concurrence --
14 that only DOT-approved rates for Shared Rides will
15 be accepted in this program.

16 Q. It just seems to me to be very easy to
17 get on top of that issue. I mean, if you know the
18 taxi trip costs \$6 from Point A to Point B, why
19 would we pay more under the lottery program?

20 A. Well, part of the problem is that there
21 is an enormous burden of administration under the
22 present details. We have about 65 providers
23 providing almost 6 million rides a year, and the
24 administration of this under a set of guidelines

1 that is not at all clear between PUC and the DOT,
2 we simply have not been able to manage it in the
3 detail we should have.

4 Q. So what you are saying in effect is the
5 exploitation you alluded to here is legitimate.
6 It is being done under the auspices of the
7 government by the way the program is now being run?

8 A. Well, I would say that it is in some
9 cases. It may in fact be under the rules of PUC
10 set rates.

11 In other cases, it is, we believe, simply
12 exploitation because there has not up till this
13 point been the level of auditing that would be
14 required to maintain the total security. Again,
15 the numbers of providers and the number of rides
16 and the rates of increases have made the
17 administration of this extraordinarily difficult.
18 I said in my opening remarks that the growth of
19 this program and its popularity has been a
20 revelation to all of us in government, in the
21 department, particularly.

22 Q. Can I ask for the next hearing when your
23 department will be testifying in Harrisburg that
24 we look more closely at how we control it and, two,

1 where this exploitation is taking place and
2 whether it is in fact under our auspices?

3 A. We have that information and we will
4 provide it to the Chairman in detail to back up
5 the material that I have put in my testimony.

6 CHAIRMAN LINTON: Thank you,
7 Representative Murphy.

8 Any further questions?

9 Also, I would like to acknowledge the
10 presence of Representative Battisto, members of
11 the committee and Representative Cohen, who has
12 joined us today.

13 Representative Nahill.

14 Secretary Larson, I think Representative
15 Nahill has a question.

16 MR. NAHILL: I'm not sure whether I
17 should be addressing this to Secretary Larson or
18 to Department Secretary Bryant, but I will ask it
19 and if he has the information, then we can get it
20 later on.

21 BY MR. NAHILL:

22 Q. What I'm really interested in is what you
23 think it will take in dollars to get this program
24 under control from your point of view.

1 Obviously you can't audit '85 or '86
2 providers with one auditor. You have got to
3 probably beef up the staff.

4 What do you think it will take to make
5 yourself more comfortable or your department more
6 comfortable with the program?

7 A. Well, I would say several things.

8 First of all, the amount of auditing
9 depends on the rules that the program is running
10 under. We now have an understanding with PUC that
11 the rates will be reviewed by the Department of
12 Transportation and the exploitation problem will
13 be dealt with in the House. We're also committed
14 to an auditing effort that will involve the office
15 of administration and, you know, very likely the
16 auditor general as a separating auditing strength.

17 In our program management, we do need
18 additional help. I don't know exactly what will
19 be required because I think it will depend on how
20 these hearings proceed and how we finally shake
21 down with details of the program.

22 But I have discussed with the office of
23 administration the fact that we will need
24 additional help to administer these programs. So

1 I can't give you a number, Representative Nahill,
2 but I can commit that we will provide the
3 administrative services that are required but we
4 would hope that our procedures can be streamlined
5 so that they will not be excessive.

6 Q. Do you feel that the additional costs
7 that will be incurred to administer the program
8 more in the way you would like to do it will bring
9 forth additional funds that will more than pay for
10 it or do you still not even have a handle on it at
11 this moment?

12 A. No. I think, without question, that if
13 we can curb the excessive costs and manage the
14 program more effectively, as I said in my
15 testimony, we will have more money to provide
16 rides for seniors, which is what our objective is.
17 We will curb the -- really the abuse for senior
18 citizens and we'll have more than enough money to
19 administer it properly out of the savings. I feel
20 that very strongly.

21 MR. NAHILL: Thank you.

22 CHAIRMAN LINTON: Mr. Secretary, I would
23 like to ask, too, that one question.

24 BY CHAIRMAN LINTON:

1 Q. The regulations that the department has
2 been working on in the last couple of weeks that
3 have been drafted, are they prepared now to be
4 introduced in your process?

5 A. Yes, the regulations are essentially
6 finalized. I can't say that they are final, final
7 because there is always somebody else that has a
8 thought on them, but we -- the principles that I
9 have announced are principles that are embodied in
10 those regulations, they will go through the
11 regulatory process with no acceleration, so there
12 will be a period of advertisement, there will be
13 hearings under that process, and so there is
14 nothing that is being done here to accelerate or
15 to try to do some slight of hand with these
16 regulations. The process will be very open and a
17 normal process where there will be a lot of input
18 as well as through this hearing process.

19 CHAIRMAN LINTON: Thank you.

20 Secretary Larson, we would like to thank
21 you for coming by and presenting your testimony
22 and also thank the members of your staff for
23 coming out today to listen to firsthand the
24 testimony that's going to be presented by the

1 members in the audience.

2 (Applause.)

3 CHAIRMAN LINTON: I would like to
4 acknowledge the presence of Representative John
5 Fox of Montgomery County.

6 We would like to call up our next witness,
7 Mr. John Boyle, President of Action Alliance of
8 Senior Citizens.

9 (Applause.)

10 MR. BOYLE: Good morning. My name is
11 John Boyle and I'm President of the Action
12 Alliance of Senior Citizens of Greater
13 Philadelphia.

14 Action Alliance is a coalition of over
15 300 senior citizen clubs and centers in
16 Philadelphia with a membership of well over
17 120,000 older people.

18 I'm here this morning to speak on behalf
19 of all senior citizens in the State of
20 Pennsylvania who use and depend on the 203 Shared
21 Ride Program.

22 To begin with, the 203 Shared Ride
23 Program is a lottery-funded transportation service.
24 As such, the question of costs should not be an

1 issue, due to the current lottery surplus of \$223
2 million. Yet all we keep hearing is about cutting
3 back on the spending because the Shared Ride
4 Program cost us \$28 million last year.

5 Well, the \$28 million spent statewide on
6 a 203 Shared Ride Program is money well spent.
7 This service has provided millions of
8 Pennsylvania's elders with safe and comfortable
9 transportation.

10 I myself need the Shared Ride Program to
11 do my weekly grocery shopping. Without the
12 service, I would not be able to buy more than a
13 few food items a week because a trip home from the
14 market would be too difficult to negotiate with
15 arms full of groceries on a bus.

16 Other seniors use the service for trips
17 to their doctors or senior centers or to eat a hot
18 meal, the only one a lot of them get in a day.

19 I hope I'm making my point clear. The
20 203 Shared Ride Program provides a vital service
21 to senior citizens throughout the state. So why
22 does PennDOT want to change it? Why does PennDOT
23 want to reduce the number of seniors eligible to
24 use it?

1 I don't know. The issue of money has
2 already been addressed. The lottery funds are
3 there. PennDOT keeps claiming the new regulations
4 are aimed at reducing program abuse. But they
5 never documented any of the abuses referred to and
6 the new regulations punishes seniors, not the
7 carriers accused of abuse.

8 We the members of Action Alliance have
9 opposed and will continue to oppose two of
10 PennDOT's new regulations.

11 First, the quarter-mile rule which
12 prohibits nonhandicapped seniors from using the
13 service if they live within a quarter mile of
14 public transportation and can complete their trip
15 with no more than one transfer.

16 Second, changes in the third-party
17 sponsorship which would prohibit third-party
18 payment by any party except senior citizens and
19 then require the seniors to pay up front and wait
20 one or two months for reimbursement from their
21 centers.

22 Don't forget, many seniors who are not
23 handicapped still find it difficult, if not
24 impossible, to walk any distance. For them the

1 quarter-mile rule will mean an end to 203 rides
2 and all the conveniences it allows, and asking
3 them to pay 10 percent up front, prohibiting
4 third-party payment, would just about eliminate
5 all low income riders from the program.

6 Please consider the impact PennDOT's new
7 regulations would have on senior citizens in
8 Pennsylvania. Then ask yourself if the changes
9 are worth it.

10 I would just like to add a little bit to
11 my written testimony because I heard what
12 Secretary Larson stated and I don't think he
13 stated the true picture about third-party rides
14 because he didn't spell it out. What he said was
15 that area agencies would be permitted to pay the
16 10 percent.

17 This is true, but first the senior
18 citizens must pay that driver, and at the end of
19 the month a lot of our senior citizens -- and
20 there are 265,000 here in the City of Philadelphia
21 alone -- that according to the 1980 census, don't
22 have that dollar and a half or whatever it would
23 take to get to the centers so they can eat that
24 one hot meal that they only get once a day.

1 He didn't say that then they would have
2 to wait until a month or two months for the area
3 agency to refund the money to the center and then
4 to go from the center to the people that paid that
5 money. He didn't say that. And this is what it
6 means.

7 It means that most of the people that now
8 use this to come into the center, especially our
9 handicapped people, would be absolutely unable to
10 ride these vans. So I think the secretary didn't
11 state the facts as they are.

12 Thank you very much.

13 CHAIRMAN LINTON: Thank you.

14 (Applause.)

15 CHAIRMAN LINTON: Before you leave, I
16 would like to see if any members of the committee
17 may have any questions to ask.

18 I have one or two comments to make.

19 I just wanted to add -- and I know that
20 the quarter-mile rule is going to be an item of
21 contention today and we'll probably hear a lot of
22 people testifying about it -- just like to mention
23 that even though the new directives that were
24 issued a couple of months ago focused on the

1 quarter-mile rule, to my understanding, that the
2 quarter-mile rule was in fact one of the
3 requirements for the program as much as a year,
4 two years ago.

5 However, that quarter-mile rule was not
6 enforced. Past practice was that it was not
7 enforced. So it is not a new regulation per se.
8 However, there is an effort now to enforce it. I
9 would hope that when the secretary spoke and
10 talked about the procedure for the third-party
11 reimbursement, that the problems that you just
12 mentioned relating to the seniors having to put
13 that money up front and the delay in terms of
14 getting reimbursement to the centers, I hope those
15 problems have been resolved and no longer exist in
16 the new regulations that that he is planning to
17 propose.

18 MR. BOYLE: Also that eliminates a
19 quarter-mile rule because without this elimination
20 of that rule, there is many senior citizens,
21 especially in the City of Philadelphia and cities
22 like Pittsburgh, who'll no longer be able to use
23 that program.

24 CHAIRMAN LINTON: Any other questions?

1 That will be all, sir.

2 Thank you very much for your testimony.

3 MR. BOYLE: Thank you very much.

4 (Applause.)

5 CHAIRMAN LINTON: Mr. Zucker is chairman
6 of the Committee on Public Affairs of the Senior
7 Adult Council of the Jewish Community Centers of
8 Greater Philadelphia.

9 MR. ZUCKER: Thank you, Mr. Chairman.

10 Good morning, Mr. Chairman, and gentlemen
11 of the committee and other members of the assembly.
12 You have already been introduced, so I don't have
13 to introduce myself again.

14 I just want to add that our organization
15 represents 8,000 Jewish seniors organized in 40
16 clubs in various parts of this area.

17 With your permission, Mr. Chairman,
18 before I start reading my testimony or present it,
19 I want to state flatly and unequivocally that our
20 seniors -- and that goes not just for the Jewish
21 but most of the people in the clubs that are in
22 the city that I have met -- are not included in
23 the PennDOT regulations.

24 We're mad and what we're angry about is --

1 and we want the State Assembly and this committee
2 to know that this is what we're about here --
3 we're mad and we're angry about these regulations
4 and we're adversaries of PennDOT and the
5 government because, as far as we're concerned,
6 these regulations are an effort to cut services
7 for the elderly, particularly the poor elderly.

8 I fail to see how Secretary Larson can
9 come to this committee and say that he is out to
10 help the elderly and to correct abuse by
11 penalizing the elderly.

12 I would like to have your permission to
13 go into my testimony.

14 CHAIRMAN LINTON: Thank you, sir.

15 MR. ZUCKER: We have previously voiced
16 our opposition to the rules proposed by PennDOT.
17 We explained our opposition to the quarter-mile
18 rule from SEPTA's stops and the proposal to
19 eliminate third-payment payments for the 10
20 percent share of the fare. We consider the
21 proposal of the Means Test demeaning and probably
22 illegal. The Federal Old Americans Act prohibits
23 Means Test by organizations that receive federal
24 funds to service the elderly.

1 Mr. Chairman and the gentlemen of the
2 committee, your records will include direct
3 testimony from some elderly citizens who will tell
4 you how devastating these proposals are and now
5 they and people like them are affected.

6 We view these proposals as a major effort
7 by Governor Thornburgh to cut services first for
8 the poor elderly and then for all other services
9 that the people of this Commonwealth need.

10 Mr. Chairman, we ask that this committee
11 and the State Assembly reject the Governor's and
12 PennDOT's proposal, not only because they are
13 inhuman and cruel, but because there are no good
14 financial or moral reasons for these cuts.

15 The Reagan and Thornburgh tax policies
16 have robbed the wealth of this nation and turned
17 it over to the multinational corporations and the
18 rich. Hundreds of billions of dollars which
19 belong to the people of this state and the nation
20 are now in the coffers of the wealthy and the
21 powerful. This country is not broke. Its wealth
22 is in the wrong hands.

23 The Reagan and Thornburgh administrations
24 have created and are stimulating divisions amongst

1 the elderly and the young, the ethnic and
2 religious groups. They are pushing divisions and
3 jealousies between regions of this country. They
4 want us to fight each other for the crumbs while
5 the full loaf is transferred to their rich friends.

6 Mr. Chairman, we are asking this
7 committee to reject the PennDOT proposals now, and
8 we advise you that we will be back. All
9 Pennsylvanians, not just the elderly, need public
10 transit services that are affordable. The people
11 of Pennsylvania, not just the elderly, need an
12 increase in services, not Thornburgh cuts. We
13 will be talking and working with you for a state
14 program for all. We will work with you on
15 programs to help not only the elderly but the
16 youth, the handicapped, the poor, the unemployed,
17 the workers, and the middle class.

18 We're determined to work for a future
19 where all the people in our Commonwealth can live
20 in dignity, health and security. And we will work
21 with the members of this State Assembly, most of
22 whom we believe have the same vision.

23 Thank you, Mr. Chairman.

24 (Applause.)

1 CHAIRMAN LINTON: Thank you, Mr. Zucker.

2 Any member of the committee have
3 questions for Mr. Zucker?

4 No questions.

5 I would like to thank you for your
6 testimony. I'm quite sure we will use your
7 testimony in our decisions as to how we resolve
8 the problems around 203.

9 MR. ZUCKER: Thank you, Mr. Chairman.

10 (Applause.)

11 CHAIRMAN LINTON: We would like to have
12 Ms. Ellen McCairns of the Retired Senior Citizens
13 Volunteer Program to testify at this time, please.

14 (Applause.)

15 MS. McCAIRNS: I would like to thank the
16 committee for the opportunity to testify on behalf
17 of senior volunteers today.

18 The Retired Senior Volunteer Program
19 Philadelphia/East is a program partially funded by
20 the federal Action agency. Locally, the
21 Department of Senior Adult Services and Research
22 of the Jewish Community Centers sponsors the
23 program. RSVP/East services people 60 years and
24 older who live east of Broad Street in

1 Philadelphia. To date, there are more than 700
2 RSVP volunteers working in more than 70 nonprofit
3 agencies in Philadelphia. These volunteers
4 contribute more than 121,000 hours annually to
5 organizations such as nursing homes, consumer
6 bureaus, literacy programs, and others dependent
7 on limited government funding.

8 Consistent with federal regulations and
9 sound volunteer program management, RSVP ensures
10 that volunteers incur no costs in the course of
11 their work. They donate their time and talents to
12 the community and not their out-of-pocket expenses.

13 Since 1971 when RSVP was established,
14 transportation assistance is the support
15 volunteers request most often. RSVP is unique
16 among volunteer agencies in providing this
17 assistance. Quite simply, without access to
18 affordable and reliable transportation, many of
19 the city's hospitals, day care centers, public
20 schools, and senior programs would lose the
21 essential services volunteers provide.

22 Weekly, about 250 RSVP volunteers travel
23 to their assignments on 203 funded transportation.
24 Since 203 rides became available in June 1981, the

1 number of RSVP volunteers providing community
2 service has increased by 150. The number of
3 service hours has jumped by 25,000 in that period.
4 Access to increased transportation has permitted
5 more volunteers to work more often.

6 There has been a rapid increase in the
7 demand for volunteers both locally and nationally.
8 Because of their leisure time and life experience,
9 retirees are now the most recruited group of
10 volunteers.

11 Agencies establishing new volunteer
12 programs, as well as those augmenting existing
13 ones, recognize seniors as a vital resource to tap.
14 The Clean Air Council looked to RSVP for a
15 volunteer to staff a home air pollution hotline,
16 the Philadelphia Zoo requested volunteers for the
17 gift shop. And the Philadelphia Geriatric Center
18 approached RSVP for more friendly visitors.

19 Experience has taught that accessible
20 transportation is the critical link to matching
21 that skilled bookkeeper in Northeast Philadelphia
22 with an organization in Center City which could
23 benefit by that expertise.

24 The proposed changes in PennDOT's 203

1 transportation regulations greatly threaten the
2 advancements that have been made in providing the
3 community with capable volunteers. With community
4 organizations demanding more volunteers, limiting
5 the use of 203 rides will curtail the pool of
6 volunteers that RSVP offer to the city.

7 RSVP volunteers are an active group of
8 seniors, volunteering a minimum of four hours
9 weekly. While not necessarily frail or
10 handicapped, many still are unable to walk the
11 proposed quarter mile to and from public
12 transportation. Many would not volunteer if it
13 meant climbing subway stairs weekly or clamoring
14 aboard buses, no matter how well intentioned their
15 motives. Walking hilly streets and uneven
16 pavements and waiting in areas perceived as unsafe
17 is an ordeal for both the well and frail elderly.

18 Says Mr. Y, an RSVP volunteer at a Center
19 City hospital, "I'm more than willing to volunteer
20 my time, but I won't risk my health or safety to
21 do it." It's takes only a van ride, van rides
22 that have been a well-utilized volunteer resource
23 for the past three years to circumvent these
24 obstacles.

1 The proposed alteration of 203
2 regulations with the greatest potential for
3 damaging impact on senior volunteers is the change
4 in third-party sponsorship.

5 If area agencies on aging are forced to
6 limit sponsorship of work trips to PACE eligible
7 seniors only, many of the current volunteers will
8 no longer qualify for the reduced rate
9 transportation. Not only will this curtail the
10 expansion of volunteer placements in the community,
11 but it will cut back immediately the number of
12 volunteer hours being logged. To abruptly
13 discontinue the placement of active volunteers can
14 severely disrupt both the efficient functioning of
15 the organizations dependent on them and the lives
16 of the volunteers as well.

17 Since RSVP current does not maintain
18 income information on volunteers, it is difficult
19 to calculate an exact number affected by means
20 testing. However, based on personal knowledge of
21 volunteers' backgrounds, it is hypothesized that
22 as many as 50 percent of current riders are not
23 PACE eligible.

24 Threatening those volunteers who are PACE

1 eligible is the proposed regulation requiring
2 seniors to pay cash for 10 percent of the required
3 fare. To expect any senior with an income of
4 \$12,000 or less to have the cash flow to
5 accommodate this ruling is unrealistic. Even if
6 reimbursed, this would put an unnecessary strain
7 on people with fixed incomes.

8 I may add additionally that the logistics
9 of collecting this cash from each passenger
10 boarding a van would create greater delays in the
11 services of struggling to increase on-time
12 performance.

13 Volunteers who must comply could be
14 discouraged by this call for an out-of-pocket
15 expense where previously there was none. It puts
16 an unnecessary obstacle in the path of those
17 willing to do a service.

18 When senior volunteers are discouraged
19 from donating their experience to the community,
20 as they surely will be if these proposed changes
21 are adopted, it will be the hospitalized children,
22 the puzzled consumers, the illiterate adults who
23 feel the greatest impact.

24 In summation, transportation is an

1 essential ingredient in successfully matching and
2 maintaining senior volunteers with community
3 agencies that need voluntary help. By limiting
4 eligible riders to those who live more than a
5 quarter mile from public transportation routes and
6 incorporating severe changes in third-party
7 sponsorship, many of the volunteer hours depended
8 upon by the community will be decreased or
9 eliminated. Retrenching 203 transportation as it
10 has grown to exist will not only affect seniors,
11 but those who are so dependent on the services
12 that these volunteers are ready to provide.

13 Thank you.

14 (Applause.)

15 CHAIRMAN LINTON: Thank you, Mrs.
16 McCairns.

17 Any questions from the members of the
18 committee?

19 I would like to thank you for your
20 testimony

21 That's provided another perspective on
22 the problems with the 203 program.

23 CHAIRMAN LINTON: Cecelia Levy, Jewish
24 Community Center, David G. Neuman Senior Citizens

1 Center.

2 MS. LEVY: Good morning. My name is
3 Cecelia Levy. I'm 69 years old and live at 6327
4 Revere Street in Philadelphia.

5 I'm here today to talk about the lottery-
6 funded 203 Shared Ride Program, a service that has
7 proved to be a real lifesaver for myself and other
8 senior citizens.

9 In the past years, my health has
10 deteriorated. Certainly, I am not as bad off as
11 some people, but the changes in my health have
12 required changes in my lifestyle. Due to a severe
13 vision problem -- the doctor told me that I
14 experienced something similar to a stroke in my
15 right eye -- I cannot use public transportation.
16 Actually, my vision is so poor, most times I
17 cannot even cross a street alone because the
18 vision impairment affects my balance.

19 But this condition has not kept me at
20 home thanks to 203 transportation provided by my
21 senior citizen center. Under the current 203
22 guidelines, my senior center can pay my 10 percent,
23 allowing me free transportation for my doctor's
24 visits and trips to the center for hot meals

1 several times a week.

2 Third-party sponsorship, which allows the
3 center to pay my 10 percent, also allows me to
4 visit a 96-year-old sickly lady in her home once a
5 week. Unfortunately, my elderly lady friend is
6 unable to get out of her home, but the 203 ride
7 keeps her in touch with the outside. Once a week
8 the 203 van takes me from my senior center to the
9 home of my dear friend, then several hours later
10 picks me up and takes me back to the center.

11 PennDOT's new regulations threaten my
12 mobility because they want to make the senior
13 citizens pay the 10 percent up front and then wait
14 several months for the center to reimburse us.

15 Why can't they leave third-party
16 sponsorship alone. If PennDOT requires us to pay
17 the 10 percent, I will have to give up my trips to
18 the senior citizens center, my visits to the
19 elderly housebound, and I will probably have to
20 reduce the number of visits I can make to the
21 doctor.

22 Please don't take our rides. Leave them
23 third-party sponsorship alone.

24 Thank you.

1 CHAIRMAN LINTON: Thank you, Mrs. Levy.

2 Before you leave, I have a question I
3 would like to ask.

4 BY CHAIRMAN LINTON:

5 Q. Do you currently use the PACE program or
6 the state rebate program?

7 A. Yes, I do.

8 Q. What in particular has been your
9 experience in getting picked up by the vans or the
10 taxi or whatever you use for your transportation?

11 Are they normally reliable?

12 Do they show up on time?

13 What has been your experience?

14 A. Well, since I have been using vans from
15 the center, I have had very little trouble with
16 them. Before that, when I had to call a company
17 and pay for it, like I say, Yellow Cab, I would
18 get where I was going, but maybe two, three hours
19 of waiting, of phone calls before they would pick
20 me up for return.

21 Q. Do they require you to call 24 hours in
22 advance? Is that generally how you register for
23 your program?

24 A. Yes. But I have a backup, SEPTA

1 paratransit that I use. I must give them a week
2 ahead of time. They are very reliable but they
3 can only have a few rides. If you don't call at
4 8:00 in the morning, by 10:00 in the morning --
5 that's a week in advance -- you won't even get
6 booked for a week later. They don't have enough
7 rides.

8 Q. Have you had experience in terms of being
9 picked up by any of the transit companies and
10 taken to your destinations and not coming to pick
11 you up on time or not coming on time?

12 A. Yes. I was taken to my doctor's office
13 and they were supposed to pick me up 10:30 in the
14 morning for return to home. At 1 o'clock in the
15 afternoon, I finally called my nephew at 2601
16 Parkway Flower Shop and asked if he would have his
17 delivery man come to the doctor's office and take
18 me home. I'm diabetic. I had not had my insulin
19 or anything else and I was starting to get tremors.
20 I had to get home to take my medication. The only
21 way I got home is he sent his delivery man.

22 Yellow Cab apologized in a letter form,
23 but it happened again after that. So I stopped
24 using them completely.

1 CHAIRMAN LINTON: Thank you.

2 It is our efforts to -- one, we clearly
3 realize, and I think the members of this committee
4 share in that, that there is a need for the
5 program and we're going to fight our darnedest to
6 make sure that program exists. But in addition, I
7 think that there is some concern that we all share
8 in terms of making sure that it operates more
9 efficiently, that it is costs effective, but at
10 the same time that the senior citizens get the
11 maximum utilization of that transportation system.

12 We would like to thank you for your
13 testimony.

14 (Applause.)

15 CHAIRMAN LINTON: We would like to have
16 Carlene Hack.

17 MS. HACK: I'm Carlene Hack.

18 I think my family maybe wanted a son
19 since I have a father named Carl.

20 CHAIRMAN LINTON: I should be familiar
21 with your name. I think I received a number of
22 letters from the agency. So it should be fairly
23 familiar to me.

24 MS. HACK: I think, too, you received a

1 few from us.

2 CHAIRMAN LINTON: Yes. You may begin
3 your testimony.

4 MS. HACK: Mr. Chairman and members of
5 the committee, on behalf of the Pennsylvania Area
6 Agency on Aging Directors, I would like to thank
7 the committee for providing this opportunity for
8 public comment on the Section 203 Transportation
9 Program.

10 I'm currently executive director of the
11 Area Agency on Aging for Mifflin and Juniata
12 Counties and I serve as president of the
13 Pennsylvania Triple A Directors Association. It
14 is on behalf of that organization, whose members
15 serve the Commonwealth's 2.2 million older adults,
16 that the following comments are made.

17 Transportation has long been recognized
18 as being an important and pivotal service for the
19 elderly. Not only does access to transportation
20 promote and foster independent living, it
21 frequently provides the critical linkage between
22 the older person and the services they need to
23 maintain health and even life. The physical and
24 social isolation created by lack of essential

1 transportation is a needless outcome of growing
2 old.

3 Before Section 203 of the Mass Transit
4 Act created a system of transportation for the
5 Commonwealth's elderly, only a patchwork of
6 specialized Triple A transportation services were
7 available to supplement mass transit. The
8 resulting transportation was expensive and less
9 than adequate. The Commonwealth's response to
10 this plight of those elderly who lacked access to
11 transportation was the enactment of the Section
12 203 program. Providing more than an estimated 4
13 million rides last year, 203 transportation has
14 proven to be one of the most far-reaching
15 achievements of the decade.

16 Benefits from this program have been
17 realized by thousands of seniors statewide. In
18 rural areas and small towns, older adults can now
19 utilize services located long distances from their
20 homes, to which they previously had no or at least
21 far less access. In those areas where the
22 availability of transportation decreases along
23 with community size, 203 service has been a
24 tremendous gain for older adults. Here,

1 transportation alternatives are often nonexistent.

2 Elderly residents of the Commonwealth's
3 urban areas have also benefited from the 203
4 program. While mass transit provides appropriate
5 service for many metropolitan elderly, it cannot
6 meet the needs of all. Structural barriers, such
7 as high flights of stairs to subway or elevated
8 service, makes these services unavailable for the
9 more frail elderly. Those who are impaired by a
10 handicap or who are functionally disabled also
11 find mass transportation difficult to use.

12 Additionally, unsafe neighborhoods may
13 create legitimate fear in the minds of many older
14 urban dwellers, and this fear prevents them from
15 using mass transit and intensifies their isolation.
16 For these Pennsylvanians, 203 has also enhanced
17 independence and provided increased access to the
18 services they need.

19 At this time, the 203 services are
20 undergoing a serious challenge in the form of new
21 regulations proposed by Pennsylvania DOT. I would
22 like to note I'm referring to the proposed
23 regulations that were circulated in July. I've
24 not had access to the most recent ones.

1 Our association acknowledges the need for
2 Pennsylvania DOT to address program abuses and
3 cost containment in the 203 program. However, we
4 believe that the new guidelines place unmanageable
5 and unnecessary burdens on service consumers while
6 ignoring problems inherent in the system.

7 We would like to highlight for the
8 committee some of the characteristics of program
9 consumers as well the anticipated impact of the
10 proposed regulations on those older adults. In
11 order to obtain this information for the
12 Legislature, our association conducted an
13 extensive survey of the state's Area Agencies on
14 Aging. The Triple As are closely involved in the
15 203 program through the sponsorship of service and
16 we're very familiar with the ridership. Of all
17 203 trips provided last year, it is estimated that
18 approximately 47 percent were sponsored by area
19 agencies. The data which we collected related to
20 those older adults who received Triple A sponsored
21 trips.

22 Our findings indicate that area agencies
23 sponsored the rider's 10 percent share for more
24 than 2.2 million trips last year. Most of those

1 sponsored rides were related to medical, nutrition
2 or work. The exceptions were in the areas of
3 shopping and banking, social service appointments,
4 visits to institutionalized spouses, social-
5 recreation trips, and day care.

6 However, between 75 percent and 100
7 percent of trips sponsored by individual Triple As
8 are for the purpose of meeting medical,
9 nutritional and work-related needs. The average
10 number of trips per year per person is 35.8 one-
11 way rides.

12 We were also able to estimate the number
13 of elderly who were receiving sponsored 203
14 service and identify their characteristics. From
15 the agencies which responded to our survey, we
16 calculate the total number of persons receiving
17 sponsored service to be about 77,500 persons.

18 A large proportion of recipients of
19 sponsored rides are poor. Their incomes fall
20 below \$5,520 for a single person and \$7,050 for a
21 couple. Of those area agencies who collect data
22 on income, 46 percent of the persons receiving
23 Triple A sponsorship fall below this income level.

24 Additionally, the number of trips per low

1 income person is 61.29 annually. This is
2 significantly higher than the 35.8 trips for the
3 overall sponsored riders, indicating that low
4 income seniors are the recipients of a substantial
5 commitment by the area agencies to help meet their
6 transportation needs.

7 While we're unable to provide statistics
8 on other income levels of sponsored riders, it is
9 reasonable to assume that a high proportion of the
10 balance of persons receiving the service would
11 continue to qualify under the proposed income
12 limits of \$12,000 and \$15,000.

13 However, income inadequacy should not be
14 the sole criteria for qualifying for sponsored
15 transportation service. At this time, area
16 agencies do not use income limits alone to exclude
17 persons from receiving services. Income is one of
18 many factors which may be considered when scarce
19 resources force agencies to prioritize clients for
20 service provisions. There are others.

21 For example, advanced age of 75 years or
22 older is another characteristic which is
23 considered as an important indicator of service
24 need. As age increases, circumstances may combine

1 to exacerbate the isolation of the older person.

2 In addition to the increasing frailty
3 that often accompanies advancing age, persons 75
4 or older are less likely to drive or own a car.
5 Additionally, the likelihood that they live alone
6 also increases. For those older persons, the
7 availability of transportation is particularly
8 important.

9 Triple As recognize this need. Of the
10 agencies which provided us with statistics
11 relating to this group, 49 percent of the
12 sponsored rides for all ages 65 plus were provided
13 to persons over the age of 75.

14 The third characteristic which is evident
15 in many consumers of sponsored 203 rides is the
16 presence of a handicap or functional disability.
17 19 agencies were able to provide us with
18 information about this group. Those 19 Triple As
19 sponsored 390,241 trips for handicapped or
20 functionally disabled older persons. Of all trips
21 sponsored by these agencies, this number
22 represents one-third of the total.

23 It is clear that Triple As provide
24 sponsored 203 rides for many persons whose need

1 for transportation is exacerbated by one or a
2 combination of other factors. For others, the
3 need is equally great when no transportation
4 options exist or when they cannot afford to
5 purchase the service in the marketplace.

6 Triple As anticipate that the proposed
7 regulations will have a widespread deleterious
8 effect on older adults who currently benefit from
9 sponsored rides. Our survey revealed that of the
10 reporting area agencies, all of those which
11 sponsor transportation for congregate meals
12 anticipate a decline in participation if the area
13 agency did not reimburse the riders' 10 percent
14 share. Reduction estimates range from 5 percent
15 to 50 percent with a median answer of 20 percent.
16 This estimated reduction in the number of
17 congregate meals is significant for many persons
18 it will be a devastating blow to their well-being.

19 Triple As were also asked to anticipate
20 the loss of volunteers if they did not reimburse
21 the 10 percent share. With 23 agencies answering
22 the questions, the loss was estimated to be
23 205,975 volunteer hours in community service.
24 This estimate is probably half of what the

1 statewide total could be.

2 Not only will this be a loss to those
3 agencies and institutions which benefit from this
4 service, it will be a great loss to those older
5 adults who volunteer. Volunteering provides
6 meaningful and valuable activity for those elderly
7 who wish to maintain a vital lifestyle and who
8 have real skills to share.

9 In addition to less access to nutrition
10 services and volunteer opportunities, 29 of the 35
11 agencies reported that without reimbursement fewer
12 persons would be able to go to medical
13 appointments.

14 These are the anticipated outcomes of the
15 new guidelines if Triple As are not able to
16 sponsor trips in the new categories. The new
17 regulations provide only for direct reimbursement
18 of the 10 percent share to the client.
19 Considering the number of riders and the number of
20 rides, this is an administrative demand of
21 nightmare proportions.

22 If an estimated 77,000 riders were to be
23 reimbursed monthly, it would mean bookkeeping,
24 check processing and mailing for 924,000 checks

1 annually. Several area agencies have calculated
2 that the administrative costs of this process will
3 exceed the amount reimbursed by their agencies.

4 When asked to calculate the additional
5 cost to Triple As, 25 agencies estimated that cost
6 to be \$892,671. Statewide, that figure would top
7 \$1 million.

8 A more efficient way of handling third-
9 party sponsorship is the manner in which it is
10 presently done. That is, each agency contracts
11 with a carrier for a specified number of trips and
12 pays on invoice from the carrier. This process
13 has a high degree of accountability as well as
14 being straightforward and efficient.

15 A move to the new regulations would
16 reduce all of these, along with reducing ridership
17 and access to those service which sustain
18 independence and good health.

19 The new regulations also calls for close
20 enforcement of the quarter-mile rule. This will
21 also pose problems statewide in both urban and
22 rural areas. Metropolitan seniors may have
23 difficult using mass transit for a number of
24 reasons, including design barriers, severe weather,

1 disability or terrain.

2 Those from Philadelphia or Pittsburgh can
3 well imagine the magnitude of a quarter mile
4 uphill walk, given any of the circumstances
5 mentioned, in Roxborough or the Hill District.
6 Similarly, rural elderly who live near one of the
7 fixed routes may not be able to manage the walk.
8 The requisite physician's certificate is not an
9 appropriate solution for those elderly who find
10 the quarter mile impossible to manage for other
11 than medical reasons.

12 Our association has reviewed the
13 regulations very closely. We have weighed the
14 impact of these proposed measures on those older
15 people who depend on 203 services. We do not
16 believe that a cost containment strategy which
17 reduces ridership, reduces access to essential
18 services and which places unmanageable burdens on
19 elderly riders is an acceptable way to address the
20 problems in the 203 program.

21 We have also reviewed the regulations
22 from the perspective of equity. The greatest
23 proportion of lottery funds is used to support
24 mass transit, for which there is no income or

1 destination eligibility necessary. Service is
2 provided on the basis of age alone. Yet in 203
3 program, sponsored consumers are to be subjected
4 to a Means Test with all of the implications of
5 that process. They are expected to pay 10 percent
6 of what is of often a shockingly high fee. And
7 they are expected to sign their name each time
8 they board the vehicle, a cumbersome process and
9 an impossible imposition for many.

10 Our association does not feel that the
11 proposed regulations are a fair or appropriate way
12 to guide program operation.

13 We believe that the proposed regulations
14 are not in the spirit of the authorizing
15 regulations. We hope and trust that the
16 Legislature will agree with us and seek
17 alternative remedies to 203 problems prior to the
18 enactment of the regulations. In our role as an
19 advocate, we would welcome the opportunity to work
20 with the legislators in finding acceptable
21 solutions.

22 Thank you.

23 And I would like to add a personal
24 comment. As I was growing up as a teenager, I had

1 a very wise grandmother. As I would approach a
2 problem, she said, "Now, Carlene, remember not to
3 throw out the dirty bath water with the baby."
4 And I'm very concerned that may be what's
5 happening here. Yes, we could have some problems
6 in this program, but are we throwing away the very
7 many senior citizens in order to clean up the
8 problems.

9 CHAIRMAN LINTON: Thank you.

10 Representative Bill Lloyd has a question.

11 BY MR. LLOYD:

12 Q. I appreciate your coming down to
13 Philadelphia today because you, like I, come from
14 western -- you come from central. I'm from the
15 western part of the state. We're both from rural
16 areas and our problems are a little bit different.
17 In our counties, if we don't have the 203 program,
18 we don't have anything at all. In my legislative
19 district there is no fixed route transportation
20 and I would like to see more money being made
21 available for 203.

22 I recognize and I think you do, too, in
23 your statement, that in order to do that, if you
24 have a limited amount of money to spend, you are

1 going to put more one place, it got to come -- we
2 got to try to make the system more efficient.

3 I especially appreciate your suggestions
4 as to how this system might be operated. I want
5 to make sure I understand what you are saying.

6 You indicated that simply imposing an
7 income Means Test is not the right thing, that
8 there -- at the very least, there ought to be
9 three standards:

10 One, income, and if you are within the
11 PACE guidelines, then you would automatically
12 develop. Another would be if you are over age 75,
13 regardless of income. And the third would be if
14 you have some kind of physical disability,
15 regardless of income. Is that correct?

16 A. In our system, Representative Lloyd, we
17 do have to set priorities for other services and
18 we do that by weighing those factors so that they
19 work together, I guess is what I need to say, so
20 that one would maybe not override the other.

21 Q. Well, the other thing that wasn't clear
22 to me is that in my county, the Triple A picks up
23 the 10 percent if the trip is essential -- and I
24 will put essential in quotes, and that includes

1 trips to the doctor, to the stores, and so forth --
2 but it would not pick up a trip, let's say, to
3 people wanting to go to a park, to the zoo or
4 something like that. It wouldn't pay for that.

5 Are you suggesting that there be some
6 requirement that Triple A reimbursement be limited
7 to those instances, any -- I'll use the words "for
8 essential," for something better to say?

9 A. That is our statistic I don't have with
10 me now. But I rather think that the majority of
11 Triple As do now regulate that. I think very few
12 Triple As would pay for other than essential
13 service.

14 Q. And you think that's an appropriate thing
15 to do?

16 A. Yes.

17 Q. Now, also, there have been a lot of
18 points made today with regard to requiring the
19 senior citizens to put the money up front.

20 If we were convinced that we ought not to
21 do that, in other words, to allow the Triple A to
22 make the contract with the carriers so that the
23 senior citizen didn't have any money going through
24 his hands, that would eliminate one of your most

1 serious objections, would it not?

2 A. Yes, it would. That's very difficult to
3 administer.

4 Q. Now, also, you indicated that there is
5 going to be a problem with the quarter-mile rule.

6 Now, in my legislative district, that's
7 no problem. In the northern part of my county,
8 there is one place where within a quarter mile of
9 the bus stop is the only senior citizens housing
10 project, in that part of the county. And when
11 this rule was put into effect, in our county, for
12 about a week, where there were 20 or 30 people,
13 there was nobody riding.

14 You didn't suggest an alternative.

15 Do you have a suggestion? Because what
16 concerns me is that in those areas in which there
17 is mass transit, yes, in some instances, the kinds
18 of problems you are talking about would justify
19 providing shared rides. In others, it might not.
20 And simply if I can ride for free as opposed to
21 ride and pay, I'm going to ride for free.

22 Do you have some kind of suggestion, an
23 alternative to PennDOT's proposal that we could
24 latch onto and possibly convince the department to

1 use as a substitute?

2 A. Okay. I have -- this is something that
3 we have had quite a bit of discussion within our
4 association, and I cannot speak on behalf of the
5 entire association because we have got to be exact
6 about reaching a consensus, but we do set these
7 priorities for our clients. We feel that many
8 Triple As also would have the capacity to indicate
9 what persons could be included in that
10 quarter-mile rule and it would not all be put onto
11 physicians. We -- you know, we would be able to
12 weigh some of those other factors as we have done
13 for other services.

14 Q. Final point.

15 I have been receiving correspondence --
16 and I know everybody else on the committee has --
17 from the County Commissioners Association. The
18 County Commissioners Association apparently is
19 advocating some kind of a block grant proposal.

20 Now, that strikes me for a number of
21 reasons. One that strikes me is this is a way to
22 freeze rural areas kind of where we are and
23 prevents us from having an expansion of what I
24 think is one of the most essential senior citizen

1 programs that the state provides.

2 Has your organization taken a position on
3 a block grant approach?

4 A. We have not addressed the block grant
5 approach because it has not been approached to us.
6 We tried to collect statistics, and as proposals
7 our made available to us, we will try to validate
8 on the basis of that, of the material we have
9 collected.

10 REPRESENTATIVE LLOYD: Thank you very
11 much.

12 (Applause.)

13 BY CHAIRMAN LINTON:

14 Q. Just to clarify some of your statements.
15 I was wondering if it is possible to submit to the
16 committee a copy of that survey because you state
17 things like the Triple A centers, so I would like
18 to have some numbers. If you could send a copy of
19 the survey, the questions and so forth, so we
20 could at least take a look at it.

21 A. I would be glad to do that. I need to
22 tell you it's hot off the press. Since I don't
23 live near the office of our association, for
24 mailing purposes, we save money by just having

1 them mail me one copy of the testimony to be heard
2 today. But we'll deal with getting that to you.

3 Q. Thank you.

4 One question I wanted to ask you. What
5 has been the experience and could you describe a
6 little bit about the contractual arrangements that
7 the Triple As enter with the providers?

8 A. I can give you a personal experience.
9 I'm not sure how all Triple As work out their
10 contracts.

11 In the instance of our particular Triple
12 A, we enter into a contract with the
13 transportation provider based on the fact that we
14 will dispatch so -- well, providers, we have more
15 than providers. We do the dispatching through our
16 Triple A, so, therefore, we are determining what
17 trips we will be paying for.

18 Now, in our area, our contractual
19 arrangement is based on how many miles the vehicle
20 travels and then the coordinating agency develops
21 a fare around that since the 203 program is based
22 on a fare.

23 Now, I know there are a variety of
24 contracting arrangements made throughout the state.

1 We do -- the Triple A does not pay the carrier
2 until after the transportation has been provided
3 and then that's verified in a number of ways. If
4 we -- if it is people coming to senior citizen
5 centers. They sign into the senior citizen center.
6 So the carrier notes that they've brought people
7 to the center. We can check back through our
8 center and indeed verify they were to that center.

9 We spot check some of our other rides to
10 medical facilities or we do grocery shopping for
11 our clients and we will call and ask if they
12 indeed went to a certain place on a given day.

13 Now, we don't do that with everyone. We
14 do it as a way of monitoring what we pay them for
15 our contracts.

16 Was that -

17 CHAIRMAN LINTON: Yes, very helpful.

18 In addition, I want to share some of the
19 concerns that the Representative Bill Lloyd
20 mentioned, one particularly to the one proposal
21 that is out there, and there are many proposals to
22 deal with this problem. One has been a block
23 grant proposal, and I share some of the concerns
24 that he has with that proposal. We would ask that

1 your group and others who are here continue to be
2 vigilant, and when you see these new regulations
3 that will be proposed, in addition to that, the
4 block grant proposals, that you continue to let us
5 know of your opinions so that we can better
6 determine the best way to deal with the 203
7 program.

8 And, also, that quarter-mile rule of all
9 the regulations that have been proposed, I suspect
10 that the quarter-mile rule would be the one which
11 would be the most difficult to deal with, the one
12 which will be probably the most controversial and
13 also the one in which there are various sides of
14 the issue.

15 I for one am aware of the transit
16 authorities around the Commonwealth who in fact
17 have some real concern about the enforcement of
18 the quarter-mile rule. So I suspect that will be
19 one issue we'll really have to work very hard on
20 in terms of coming up with a solution. So
21 anything that you can provide along those lines
22 would be helpful.

23 Representative Tom Murphy.

24 BY MR. MURPHY:

1 Q. Just for my own sake, I want to review
2 what I think you have outlined as the four major
3 issues that we should be dealing with, and that's
4 the 10 percent, the quarter mile, third-party
5 reimbursement and the Means Test. Is that correct?

6 Are there other issues in the regulations
7 that you have seen?

8 A. I have only seen the regulations from
9 July so I haven't -- but those were the issues,
10 yes.

11 Q. Those four are really the issues that you
12 say are most affected. The other concerns.

13 I have a list here of the counties and
14 the reimbursements that they've received, and you
15 represent Juniata. Juniata got \$37,000 and
16 Mifflin got \$149,000 through '84-'85, and yet
17 Allegheny County and Philadelphia got almost over
18 \$15 million. More than half of the total amount
19 of money spent on the program went to two urban
20 counties. And this program was set up to help
21 rural counties.

22 How do we deal with this?

23 Why are more rural counties not making
24 use of this program more aggressively than the

1 urban counties? Do you have some idea about that?

2 A. Being from a rural county, I tend to
3 think rural folks are not as anxious and as
4 willing to enter into government-funded programs
5 and I don't know for what reasons. I just think
6 historically, as we look over funding programs,
7 the rural areas tend to used less than their
8 proportionate share of the funds. And as I said,
9 the reason for that, I don't really know. I too
10 thought this was a rural program, and personally
11 representing folks from rural areas, I would like
12 to see it grow.

13 However, as a president of a state
14 association, I also have to recognize the needs of
15 my colleagues in the cities and they tell me that
16 indeed there is a need for the 203 program in both
17 Philadelphia and Pittsburgh. Maybe not to the
18 degree it is currently being used.

19 Q. Well, the question is, is there lacking
20 publicity or knowledge of the access of the
21 program in rural counties? Is it your impression
22 that it's not well publicized, that people don't
23 know about it?

24 I'm from Allegheny County and I find

1 hundreds of senior citizens who are unaware of the
2 program. They don't use it. I've got to believe
3 that with our media and opportunities for
4 communications, that urban areas have a better
5 opportunity to communicate the program. So is
6 there a problem with knowledge of this program in
7 the rural areas?

8 You don't think there is?

9 A. I personally don't think there is. Rural
10 areas just have a -- as I say, I don't know what
11 it is. I don't know if it's a peoples idea. Well,
12 we'll care for ourselves or our families will care
13 for us or I have not depended on government to
14 this point in my life, so I won't now take
15 advantage. You know, those are some things I
16 personally observed. I have no documentation that
17 those are the problems but I tend to think they
18 are some of the problems.

19 CHAIRMAN LINTON: Represent Fox,
20 Montgomery County.

21 MR. FOX: Mr. Chairman, quick question
22 for the spokesperson.

23 BY MR. FOX:

24 Q. I think we need to put our focus on

1 income production of the lottery rather than
2 working hard to have a Means Test. I understand
3 an additional \$10 million will be forthcoming from
4 new lottery programs on the Pick Four contest.
5 But the question that concerns me is the fact that
6 once we have established the government program
7 such as the Shared Ride without means
8 qualification, I see great harm between now
9 putting a Means Test on the seniors, thereby
10 having an arbitrary cutoff.

11 I will ask you as the chairman of your
12 organization, do you agree that if it is possible,
13 it would be in the best interest of our seniors
14 not to have established income qualifications for
15 shared rides in the future?

16 A. Representative Fox, I have very strong
17 feelings about this. I think that it is very
18 wrong for us to now impose income guidelines on
19 people that previously were eligible for the
20 service, and I think I pointed out we use some
21 other factors besides incomes in our system. And
22 also personally I feel we're transporting these
23 people to very vital services that are frequently
24 not based on income. And so, therefore, we're

1 denying them the right to services they are
2 entitled to simply by imposing income guidelines
3 on the transportation that gets them to those
4 services.

5 MR. FOX: Thank you very much.

6 CHAIRMAN LINTON: Thank you very much,
7 Mrs. Hack, for your testimony. It was very
8 helpful to the committee.

9 We would hope that those additional
10 TESTIMONY you would provide to us whenever
11 possible.

12 MS. HACK: I will be glad to and we
13 certainly appreciate your cooperation.

14 CHAIRMAN LINTON: Thank you.

15 I would like to recognize the member of
16 the Action Alliance who is departing.

17 I understand they have another journey on
18 their schedule. We like to thank them for coming
19 out to our hearing to provide support and
20 testimony.

21 (Applause.)

22 CHAIRMAN LINTON: We have next scheduled
23 to testify Ms. Irene Barnes from the Association
24 for the Blind.

1 We will take a five-minute recess.

2 (Recess)

3 CHAIRMAN LINTON: We have before us Mr.
4 Albert Culmer and Ms. Irene Barnes from the
5 Associated Service for the Blind. I believe Mr.
6 Culmer is going to speak first.

7 Thank you, Mr. Culmer.

8 MR. CULMER: Mr. Chairman, I'm delighted
9 to have this privilege to say how much we enjoy
10 the services of 203, and without them we wouldn't
11 be able to attend. So we are grateful for this
12 privilege to express our appreciation for the
13 service that they render, because I had a stroke.

14 I am 75 years of age. I had a stroke and
15 have trouble with my eyes, and without a service
16 like 203, I couldn't even function in no way and
17 we are grateful for this and it's a splendid
18 service that they render.

19 And I am retired on fixed income and it
20 takes every penny that we get to keep going,
21 medicines, doctor and expenses, food, et cetera.
22 You don't have anything left after you pay your
23 urgent things, expenses.

24 So, therefore, we are very appreciative

1 for the service that you render because coming to
2 centers like this, we meet other handicapped
3 people like ourselves, we can talk and get better
4 ideas, and they can give you a skillful -- some of
5 their skills, how to get along being handicapped,
6 and I think it's a tangible service that you are
7 rendering.

8 CHAIRMAN LINTON: Thank you, sir, for
9 your testimony.

10 (Applause.)

11 CHAIRMAN LINTON: Mrs. Barnes.

12 MS. BARNES: I am Irene M. Barnes and my
13 sentiments are very much like the gentleman that
14 just spoke.

15 I am on Social Security. I am 74 years
16 old. And if it weren't for the transportation
17 that's given to me, I would be completely at a
18 loss as to how to leave my home. I have lived
19 alone and I have house taxes, I have my lights, my
20 gas and my phone, my hospitalization and my --
21 like the gentleman said, the food and everything,
22 that by the time the month is over, your money has
23 depleted and just thank God that we have learned
24 to do without.

1 I also thank the service of being able to
2 be taken where we must go, down to the associated
3 service for the blind. They taught me many things
4 on how to live in an almost or complete sightless
5 world, and since there is absolutely no cataract
6 or glaucoma in me, it is destined that I will
7 definitely become totally blind. As yet, I can
8 see a little, and for this privilege of being able
9 to be taken to different places, if it weren't for
10 that, I really couldn't leave my home.

11 I think that says it about all.

12 CHAIRMAN LINTON: Thank you very much,
13 dear.

14 (Applause.)

15 CHAIRMAN LINTON: We would like to thank
16 you for your testimony. Once again, that just
17 continues to affirm our beliefs that the 203
18 program is a lifeline for many of our seniors and
19 we're going to make sure that we continue to make
20 sure that it's both cost effective and that we can
21 continue to see that it continues.

22 Thank you very much.

23 (Applause.)

24 CHAIRMAN LINTON: I now have Miss Judy

1 Schwartz from the David Neuman Senior Center.

2 (Applause.)

3 MS. SCHWARTZ: Representative Linton and
4 members of the Special House Subcommittee on 203
5 transportation, my name is Judith Schwartz and I'm
6 here in my capacity of director of the David G.
7 Neuman Senior Center, which is one of two
8 multipurpose senior centers operated by the Jewish
9 Community Centers of Greater Philadelphia and
10 partially funded by the Philadelphia Corporation
11 for Aging.

12 Both centers provide a full range of
13 services to the elderly, congregate meals,
14 counselling, education, and socialization.
15 opportunities. At the Neuman Center, we have a
16 medical clinic on the premises and an emergency
17 food closet and three satellite meal sites that we
18 operate under our umbrella. 203 transportation
19 has made these programs accessible to many for the
20 first time.

21 The Neuman Center carries a caseload of
22 over 500 homebound seniors and has almost 2,000
23 active participants in building programs. On
24 behalf of those participants, I thank you for this

1 opportunity to present the effect of 203
2 transportation on the lives of some of them.

3 First, I would like to describe our
4 population. Half are over 75 years of age. 46
5 percent live alone. 40 percent are low income,
6 15 percent of whom subsist on SSI. Only 36
7 percent are without any functional disability.

8 For many of the oldest, frailest and
9 poorest clients lottery-funded transportation has
10 been the magic carpet which has carried them
11 beyond their four walls and into the world. How
12 can one begin to measure the impact of lunching
13 with peers or the isolated widower who can't cook,
14 isn't motivated to do so if he could, and is on a
15 waiting list for home-delivered meals? Our
16 lunchroom offers mute testimony to the value of
17 third-party paid 203 transportation. Wheelchairs,
18 quad canes, and walkers are commonplace, their
19 owners no longer segregated for lack of mobility.

20 In a randomly selected week, we
21 transported 95 individuals to the center who were
22 over 75 years of age. 45 were past 80 and 22 had
23 passed their 85 birthday.

24 Each client is different. Each case is

1 unique. The common link is that each would be
2 homebound without transportation. Let me tell you
3 about a few of them:

4 Miss W. is a 70-year-old single woman who
5 is socially isolated. She is alienated from her
6 three sisters and has no supports other than a
7 friend who takes her shopping weekly. Although
8 not legally blind, her vision is extremely poor
9 and impacts on her ability to manage her daily
10 activities. She uses a quad cane because of a
11 problem with her balance. 203 rides have enabled
12 her to come to the center daily, where she enjoys
13 a hot lunch and has the opportunity to socialize
14 with new-found friends. She also use 203 rides to
15 attend rehabilitation classes at the Association
16 for the Blind, where she is learning new and safe
17 ways of managing with her limited vision.

18 Mrs. D., a woman in her late 70s,
19 eagerly accepted transportation to the center for
20 her and her 82-year-old spouse when it was offered
21 by her service manager. Her husband had recently
22 been discharged from the hospital in frail health
23 and is insulin dependent. Despite poor vision, he
24 had been driving his car while his wife sat beside

1 him, telling him the color of traffic lights. The
2 Ds are now using 203 rides to bring them to the
3 center and to get to medical appointments.

4 Mrs. G. is a single woman in her late 60s
5 who lives alone in a federal housing apartment
6 building. Diabetic, she has had a hip replacement
7 and is prone to ulcers on the bottom of her feet.
8 This past year, she was mugged outside her
9 building, which is located in a deteriorating
10 neighborhood that has become a high-risk area.
11 Since then, she is afraid to go outside alone and
12 has no family or friends to assist her. 203 rides
13 enable her to come to the center, where she has a
14 hot balanced lunch and gets regular treatment from
15 the center doctor.

16 Mr. S. moved into a makeshift basement
17 apartment in his daughter's house after both legs
18 were amputated. His 78-year-old brother-in-law
19 visited him daily to bathe him and to play cards
20 with him. Alarmed by an obviously increasing
21 depression, the brother-in-law came to see me,
22 pleading for help. If I could only bring him into
23 the center even one day a week, it might make the
24 difference.

1 This was pre-203, and after many calls,
2 it was arranged. When 203 became available, daily
3 transportation was arranged. The brother-in-law
4 has since died, but I never see Mr. S. without
5 thinking of the legacy he was left by someone who
6 cared enough to push to get him out of the house,
7 and how fortunate for him that there is third-
8 party paid 203 transportation.

9 People need people as much as they need
10 food. We regularly bring in two individuals who
11 have been forced by circumstances to move into
12 nursing homes. Mentally alert, they need
13 occasional time with old friends to make the new
14 life bearable.

15 A recent widow whose depression makes her
16 homebound is brought into the center for meetings
17 with a widows' support group. Without our
18 assistance, she wouldn't walk through her front
19 door, let alone two blocks to a bus. Eventually,
20 she'll return to public transportation, but first
21 she must be weaned out of her grief and isolation.

22 Each of these people would be a candidate
23 for in-home services if not for 203 rides. Each
24 has been given a reason to get up and get dressed

1 in the morning. The ability to live more
2 independently, with dignity, is nurtured, and the
3 community is saving home care dollars. Aside from
4 the human value, who could argue with the
5 economics of that.

6 Without third-party arrangements and
7 payments, those most in need of transportation
8 assistance would be the least able to access it.
9 Many are unable to make the necessary arrangements
10 on their own. Some call the center every 10
11 minutes beginning at 8:30 a.m. to reconfirm a ride
12 for 10 o'clock. They need constant reassurance
13 from a familiar, patient person. They could never
14 cope with the busy lines and computer voices of
15 the carriers.

16 The consumer share of daily round-trip
17 rides to the center for lunch would cost \$46.80
18 per month, \$1.80 times 26 days. Rides to medical
19 appointments would add to this. Can we honestly
20 expect the low income person who needs center
21 meals to spend such a large percentage of his
22 income for transportation? Wasn't the lottery
23 passed so he wouldn't have to?

24 Last but not least, I would like to

1 address the issue of eligibility. Free fare is
2 available on SEPTA based solely on age.

3 Even though those whom we transport are
4 PACE eligible, why should they be treated
5 differently? It is important that we be sensitive
6 to the fact that a Means Test labels everyone.
7 There are many in need who are too proud to be
8 picked up at home by a vehicle which tells the
9 neighbors that he is low income. We have worked
10 hard to remove the soup kitchen stigma from
11 congregate meals. Let's not pin it on 203
12 transportation.

13 The Older Americans Act wisely used age
14 as the only criteria for center services. That
15 should also apply to transportation.

16 Again, I want to thank you for listening
17 and for your commitment to providing quality,
18 accessible transportation to all older
19 Pennsylvanians.

20 (Applause.)

21 CHAIRMAN LINTON: Thank you very much
22 for your testimony.

23 Representative Charles Nahill.

24 MR. NAHILL: I just wanted to thank the

1 last speaker. I am very grateful she put an
2 element into the hearing that was very necessary,
3 and that is a human element, and I think that's
4 the one thing that a lot of us are not thinking
5 about as much as how much does it cost and what is
6 the reason for it. But I think there is more to
7 the human side, the side that I think she brought
8 out very eloquently, and I hope that we have more
9 of this through the testimony because that is what
10 we should be looking at.

11 We're talking about human beings and what
12 human beings need and if anybody else has anything
13 like that, I would sure like to have it put in the
14 words so when we talk to those people that have
15 any figures we can make some sense to them that
16 life is not just a bunch of figures, it is a bunch
17 of human hearts and needs and desires.

18 (Applause.)

19 CHAIRMAN LINTON: Thank you.

20 I would like to recognize Ms. Hortense
21 Lundy from Southwest Philadelphia.

22 MS. LUNDY: I am Hortense Lundy and I
23 live in Southwest Philadelphia and I attend the
24 Older Adult Sunshine Center at 59th and Spruce. I

1 am a senior citizen that finds the Older Adult
2 Center most rewarding with all its benefits. It
3 has meant very meaningful days for me not spent
4 home alone.

5 I hope the 203 changes will be
6 disregarded. As you see, I am a paraplegic and it
7 means that I can get out and have companionship
8 with my peers, a daily noon meal, and the
9 opportunity to go on recreational trips. Without
10 this, I would have to stay home, and this makes me
11 feel a part of the mainstream.

12 Would you please help us by disregarding
13 any changes in the 203 rides and keep us from
14 isolation because we seniors presently enjoy the
15 203 rides to and from many places.

16 Thank you.

17 (Applause.)

18 CHAIRMAN LINTON: Thank you very much for
19 your testimony.

20 I think that Representative Charles
21 Nahill made a statement that we all understand. I
22 think it is good to hear the human side of this.
23 It is not all dollars and cents, but it is making
24 sure that people have services, particularly our

1 seniors.

2 Thank you for your testimony.

3 (Applause.)

4 CHAIRMAN LINTON: Now I would like to
5 have Ms. Eleanor Reid, Northwest Center For Older
6 Adults.

7 MS. REID: I would like to thank the
8 committee for this opportunity to speak before you.

9 I am transportation coordinator and
10 social worker at the Center For Older Adults of
11 the Northwest. We are a community-based senior
12 center serving approximately 1,800 older adults in
13 the Greater Germantown area. Our services include
14 meals, counseling, activities, classes,
15 transportation, recreational trips, and in-home
16 meals and social workers who help the homebound.

17 As transportation coordinator, I
18 supervise the operation of our center's 15-
19 passenger van and the daily operation of the 203
20 transportation. We use 203 transportation as a
21 supplement to our center van. Both are utilized
22 on a daily basis to bring older people to and from
23 the center.

24 In addition, 203 transportation is used

1 to transport people to and from medical
2 appointments and grocery shopping. For a few
3 members, 203 provides transportation to and from
4 day care centers which provide necessary and vital
5 individual attention for very frail older people
6 who can no longer care for themselves and whose
7 families don't want them institutionalized. 203
8 is also used to transport groups of members on
9 recreational outings. We have a sing-along group
10 which travels occasionally to area nursing homes
11 to entertain residents.

12 203 transportation enables us to bring in
13 twice as many people on a daily basis to the
14 Center For Older Adults. It enables us to offer
15 transportation to and from medical appointments
16 and grocery shopping to many more people than we
17 could accommodate using only our center van.

18 There is a lot of talk now about 203
19 abuse and a movement afoot to reform 203. From my
20 view, the members of the Center For Older Adults
21 are certainly not abusing the system. Instead,
22 the system seems to abuse them. Our center has
23 used several carriers since the inception of 203.
24 We will accept the fact that we will make

1 appointments for rides and they may be late and
2 may have to call the center once or twice to
3 receive their ride back home. It seems that a
4 better way to reform 203 transportation would be
5 to begin with focusing on better service by the
6 carriers and attempting to get more reasonable
7 rates.

8 Of all of PennDOT's proposed directives,
9 there are two that we at the Center For Older
10 Adults would like to protest, and that is the
11 quarter-mile rule and third-party sponsorship.

12 The quarter-mile rule would eliminate 203
13 riders who struggle with or are afraid to use
14 public transportation. Some are unsure of their
15 ability to negotiate the high steps of trolleys
16 and buses. Others fear the jostle of crowds, not
17 being able to get a seat, falling or having their
18 purses or wallets stolen.

19 The average age of the Center For Older
20 Adults' daily riders on 203 transportation is 77.
21 This is a somewhat frail group of older people.
22 Forcing 203 riders to be declared functionally
23 handicapped by their doctors would just present
24 another obstacle to be overcome. Many would give

1 up and stay home.

2 We also would like to see third-party
3 sponsorship left alone.

4 The Center For Older Adults is a
5 responsible third-party sponsor and it is under
6 our responsibility at the PCA. We audit our bills
7 very carefully to see that every ride for which we
8 authorize payment is a ride received. We feel
9 that a fee reimbursement system would be very
10 cumbersome and would only be another obstacle
11 standing between older people and this much-needed
12 service.

13 203 transportation is a service that
14 older people need. Please don't change this
15 service that our older people have come to rely on
16 by making it more difficult for them to use.

17 Thank you.

18 CHAIRMAN LINTON: Thank you very much,
19 Mrs. Reid.

20 I also would like to thank you for the
21 other perspective which the committee has also
22 heard with regard to the attempts to also make the
23 service more efficient in terms of cost
24 effectiveness and also reliability.

1 Thank you again.

2 (Applause.)

3 CHAIRMAN LINTON: I would like now to
4 recognize Ms. Carmella Parenti from the St. Rita's
5 Senior Citizen Center.

6 MS. PARENTI: My name is Carmella Parenti.
7 I am a member of St. Rita's Senior Citizen Center.

8 We are very upset about the proposed
9 changes in the 203 transportation. Many of our
10 people cannot come to the center without this
11 transportation and a lot of us are unable to pay
12 for these rides. Some of them cannot make it to a
13 bus stop even though they live very close, one-
14 fourth of a mile from the stop. We depend on the
15 center to provide us with hot meals and a place to
16 meet our friends and a chance to volunteer our
17 services. If the new rules are put into effect,
18 we will lose some of our most valuable people. We
19 also need this service for our doctors'
20 appointments and to go food shopping.

21 These rides are not a luxury. We must
22 have them. You will be forcing us to become
23 prisoners and homebound victims. Let us keep our
24 dignity as people. You are not to make changes in

1 the 203 transportation.

2 Thank you.

3 (Applause.)

4 CHAIRMAN LINTON: Thank you very much,
5 Mrs. Parenti.

6 I know you were trying to get your
7 testimony in and waiting for that opportunity. So
8 we gave you the opportunity.

9 We would like to thank you for taking the
10 time to come out and testify before the House
11 Committee today.

12 MS. PARENTI: Thank you.

13 CHAIRMAN LINTON: I think I have been not
14 recognizing Representative George Solomon, who has
15 been sitting with us the last 15 or 20 minutes.

16 I would like to introduce to the audience
17 Representative George Solomon, who is sitting with
18 us, from Montgomery County.

19 (Applause.)

20 CHAIRMAN LINTON: Next I would like to
21 call Freda Martin of the Vital Age Adult Day
22 Health Center.

23 MS. MARTIN: I am Freda Martin, a
24 presenior. I do volunteer work at the Vital Age

1 Adult Day Health Center and I am here to tell you
2 that 99 percent of the participants use your 203
3 program. It is their only means of getting to
4 adult day care. The center provides a very
5 important service to them as well as to the
6 community.

7 Our seniors and their families rely on
8 the Vital Age care which is so necessary for their
9 physical as well as their mental health. To cut
10 back or cut down on the quality of the 203 program
11 would greatly impair services at Vital Age as well
12 as to other adult day care centers.

13 Another important factor is that it would
14 take away an independence that our seniors gain
15 when they can get out with your help and
16 accomplish things on their own. Every time the
17 senior population is used for a target, it causes
18 them to feel so degraded and of so little value.

19 How long is society going to keep
20 knocking us off our feet?

21 Every time someone in authority says we
22 have to cut back, why is it that the incision is
23 in the seniors' pocketbook or in their heart?

24 Is this happening because they can't

1 fight back or speak up?

2 Well, I'm here to say -- I beg your
3 pardon -- I am here to speak for the thousands of
4 seniors who could not attend today. I am their
5 voice and your conscience. Can't you please leave
6 them some of their dignity and independence? Let
7 them get out and do what they want and have to do.
8 It's time to stop putting our Pennsylvania seniors
9 and their style of living in the closet, time to
10 stop sweeping our Pennsylvania seniors under the
11 carpet.

12 Keep in mind how necessary and good our
13 203 program is for them. We really could not do
14 without its service. Allow the Pennsylvania
15 senior to keep the quality rather than just the
16 quantity in their latter years. We're long
17 overdue in telling our Pennsylvania American
18 seniors how proud we are of them, and we should be
19 doing everything we can to keep them on the move.
20 We can do this by leaving the 203 program
21 untouched. Let us not hold the seniors down or
22 back but keep them up and moving towards tomorrow.

23 In closing, I say, keep the Pennsylvania
24 American seniors on their feet with your wheels.

1 Thank you.

2 (Applause.)

3 CHAIRMAN LINTON: Thank you very much.

4 I would like to add that this group here
5 has never found seniors to be quiet and it is
6 quite clear that we always hear from them when
7 there are issues such as when they have concerns.
8 So you can be quite sure that they will speak and
9 we will hear them, too.

10 MS. MARTIN: Thank you.

11 CHAIRMAN LINTON: Thank you, too.

12 Representative John Fox.

13 MR. FOX: I want to thank you very much
14 for coming.

15 I know Freda from having been to the
16 Vital Age, and having seen the work that has been
17 done. There has been excellence, and keep up the
18 good work.

19 MS. MARTIN: Thank you very much.

20 CHAIRMAN LINTON: We also have from Vital
21 Age Helena Schneider.

22 MR. SCHNEIDER: Good morning to everybody.

23 My name is Helena Schneider. I work as a
24 VOICE volunteer for Vital Age Adult Day Health

1 Program of the Jeanes Health System.

2 I would like to speak on behalf of the
3 numerous men and women who live alone in
4 apartments or their own houses, despite certain
5 handicaps that occur with old age.

6 Nearly 90 percent of them suffer from
7 arthritis, a degenerative disease of the joints,
8 in spine, hips or knees, or from osteoporosis, a
9 disease of the bones, or from some kind of muscle
10 or bone frailty. They support their movements
11 with canes, walkers or wheelchairs.

12 It does not matter how close or how far
13 the next bus stop is located, they simply cannot
14 make it in or out of the public transportation,
15 and yet they need food, medication and medical
16 advice and treatment or the help of a day care
17 center.

18 I have spoken to several drivers of the
19 Shared Ride transportation service and they have
20 assured me that they give needed assistance from
21 house to house, which includes even their help of
22 the carrying of groceries.

23 The 203 program is a lifeline for
24 thousands of senior citizens that cannot be cut

1 off in the richest country on our globe. Do not
2 violate the spirit of the 203 program.

3 Thank you for allowing me this
4 opportunity to speak on behalf of many older
5 adults who cannot speak for themselves.

6 Thank you, Representative Linton, for
7 your support.

8 Respectfully submitted, Helena Schneider.

9 CHAIRMAN LINTON: Thank you very much for
10 your testimony, Ms. Schneider.

11 CHAIRMAN LINTON: We have Edna Strohm
12 also from Vital Age.

13 MS. STROHM: Good afternoon. I am Mrs.
14 George Strohm.

15 I am speaking for my husband, George
16 Strohm, who is 78. He has been going to Vital Age
17 Day Care Center since 1985, April.

18 George had a stroke in 1984 which left
19 him with no side vision at all, and at many times
20 he is very confused, not knowing where he is or
21 what day it is. Since going to Vital Age Day Care
22 Center, he has improved so much. When he comes
23 home, he is a changed man. The adult day health
24 center is just great.

1 But with no transportation, there is no
2 way I could get him there. I do not drive and I
3 have an 84-year-old aunt who right now is living
4 with us. We are on social security and therefore
5 on a limited income, fixed income.

6 The drivers are most courteous in
7 handling my husband, as his legs are getting very
8 weak. It is very valuable that the same drivers
9 transport George because they understand his
10 disabilities and my husband trusts them very much.

11 This transportation is very, very
12 important to me.

13 Thank you for this opportunity to express
14 my concern.

15 CHAIRMAN LINTON: Thank you, Mrs. Strohm.
16 If I may ask one question.

17 Your husband uses the service to get to
18 Vital Age.

19 Do you take advantage of the 203 program
20 for any other transportation?

21 MS. STROHM: No, none at all. Just for
22 that.

23 I am very happy that he is absolutely a
24 changed person when he comes home. He figures he

1 is in work. He actually calls it a school because
2 they are doing such great work for him.

3 CHAIRMAN LINTON: Okay.

4 Thank you very much for your testimony.

5 MS. STROHM: Thank you..

6 CHAIRMAN LINTON: Mr. Clifford Washington.

7 He is President of CARIE.

8 Mr. Washington, you may begin your
9 testimony.

10 MR. WASHINGTON: I am C. Clifford
11 Washington, president of the Board of Directors of
12 CARIE, the Coalition of Advocates for the Rights
13 of the Infirm Elderly.

14 I would like to share with you our
15 concerns about frail or infirm older
16 Pennsylvanians who use Section 203 transportation,
17 the Shared Ride demand responsive transportation
18 program which is financed by the lottery.

19 The Shared Ride Program was established
20 in 1982 to expand the free transit program for
21 senior citizens. Many senior citizens could not
22 take advantage of the free transit program because
23 they don't have access or simply are unable to use
24 the fixed route public transportation. The frail

1 and infirm elderly utilize the Shared Ride Program
2 regularly, as they usually cannot use the fixed
3 route transit due to the incapacities of old age.

4 They may use it to go to a medical or a
5 therapy appointment which would otherwise be
6 impossible to get to, or they may use it for a
7 more social purpose, taking the shared ride to a
8 day care center or to the hairdresser. The
9 significance of the latter use of this special
10 transportation program must not be underestimated.
11 Social interaction can be of vital importance to
12 an isolated frail old person.

13 The Pennsylvania Department of
14 Transportation, PennDOT, is the state agency
15 responsible for administering this program, and
16 recently PennDOT has made drastic efforts to limit
17 this growing program.

18 To examine the variety of tactics which
19 PennDOT has employed over the past few months in
20 an effort to thwart the 203 program is to gain a
21 quick lesson in how not to make policy.

22 PennDOT has used several methods in an
23 effort to change the 203 program. Transportation
24 is a vitally important service to older

1 Pennsylvanians. It is central to the operation of
2 many programs for senior citizens, including
3 centers, day care and other activities mandated by
4 federal law. It is also essential for less
5 independent homebound frail or infirm elderly
6 people who often rely upon it for a trip to
7 medical appointments or to therapy.

8 It will be extremely difficult for many-
9 elderly people to access the lottery-funded
10 transportation if they are required to furnish
11 physician documentation that they are functionally
12 disabled. What will they use to get to the doctor
13 to get this documentation? This is just one
14 example of the many complex problems which may
15 occur if the restrictive proposed regulations are
16 adopted.

17 PennDOT is currently taking the proper
18 steps towards implementing the changes in
19 regulations that they have proposed. They have
20 submitted them to the Independent Regulatory
21 Review Commission. We must continue to monitor
22 this process carefully and thoroughly evaluate the
23 effects that the proposed changes will have on a
24 potentially vulnerable population, the frail and

1 infirm elderly.

2 Thank you very much.

3 And I thank you personally because I feel
4 that this panel who is listening to these things
5 that we have to say is one that's very sensitive
6 to the needs of the older people, and I thank you.

7 CHAIRMAN LINTON: Thank you.

8 Mr. Washington, I want to mention that
9 the regulations drafted by the Department of
10 Transportation have not been submitted yet to the
11 regulatory review process. We expect that they
12 will be in a week or two but they have not been
13 submitted as of yet.

14 Thank you for your information.

15 MR. WASHINGTON: Thank you again.

16 CHAIRMAN LINTON: We have testify now
17 Mrs. Althris Shirdan, Vital Age.

18 MS. SHIRDAN: Representative Linton and
19 members of the hearing panel, I have been sitting
20 here all morning and I'm going to diverge just a
21 little bit from my prepared statement.

22 I have heard some testimony this morning
23 that's touched my heart and I am getting old
24 myself, and I think most of us on the hearing

1 panel are getting old also, and I hope that most
2 of you have listened with your hearts as well as
3 as your heads as these individuals have testified
4 today.

5 I'm here today to speak on behalf of my
6 aunt, Sara Boyd, as her primary caretaker. Sara
7 resides with my husband and I, and Sara is now 103
8 years of age.

9 (Applause.)

10 I would like to speak on her behalf and
11 those individuals who now are participants in a
12 program called Community Care Option Program,
13 which is sponsored by the Philadelphia Corporation
14 for Aging who now participate in that Community
15 Care Option Program at the Vital Age Adult Day
16 Health Center.

17 I would like to use, if I may, Sara as an
18 example of the many persons who are now using the
19 Community Care Option Program. As I have said
20 before, Sara is a 103-year-old black female. My
21 husband and I are her only living relatives. Sara
22 lived by herself until she was 100 years old, but
23 shortly after that time, lost most of the use of
24 her legs and her balance as the result of a tumor

1 growing on her brain.

2 She was placed in a nursing home for
3 approximately one year but efforts to improve her
4 ability to walk and to care for herself were to no
5 avail. She's thus confined to a wheelchair.

6 Sara, however, is still alert and of
7 sound mind, but she has impaired sight. She has a
8 cataract on her left eye, and at her age it's
9 difficult to even contemplate operating. She has
10 impaired hearing. She can feed herself but most
11 of her other personal care is given by my husband
12 and I. And I would like to give an analogy, that
13 it is like caring for an adult and a very
14 intelligent adult in a 117-pound child's body.

15 Sara's coming to live with us has meant
16 many things, among which has been making many
17 changes in our own lifestyle.

18 One has been the loss of income since I
19 could not work full time. That has been a change
20 in our lifestyle.

21 Second, we have had added expenses for
22 Sara's personal needs and care. No third-party
23 person pays for the pads for her bed or
24 nonprescription creams to avoid bedsores, powders,

1 and et cetera.

2 And, mind you, Sara is a lady in every
3 sense of the word. She wants her perfumes also
4 and she also wants the beauty shop.

5 It has also put an added stress on us due
6 to the amount of care that she needs. We looked
7 for some alternative to provide respite for us and
8 we chose the Vital Age Day Care Center because it
9 provides not only respite for us but it also
10 provides an excellent alternative to nursing home
11 care. The center provides a well-rounded activity
12 program. It has a trained competent staff, and
13 most importantly for Sara, who loves children, it
14 has a mixed-age center concept where children from
15 its preschool day care center interact regularly
16 with older adults. And I like to term them older
17 adults and mature adults rather than frail elderly.

18 The cost for the three days of care for
19 Sara was paid by us until the contact with the
20 Philadelphia Corporation for the Aging found Sara
21 to be eligible for its Community Care Option
22 Program.

23 PCA/CCO now provides the third-party
24 payment for cost of her care at the center and 10

1 percent of the cost for transportation to and from
2 the center through the 203 lottery program. This
3 would mean, for example, that the 24 one-way trips
4 to and from the center would cost -- it would cost
5 \$29 a month.

6 For some, and especially a lot of other
7 individuals, other than mature adults, this is not
8 a large amount. Most of us pay this much for
9 lunch every day. But for others, and particularly
10 individuals like Sara, this is a large chunk of
11 out of their incomes. With the cost of living
12 rising every day, they need every cent of this
13 income just for daily expenses.

14 To eliminate the third-party payment
15 would provide great hardship to Sara and those
16 other individuals who now depend on this service
17 and who are unable to pay this share themselves.

18 Secondly, many older adults live alone,
19 and to ask them to pay this themselves would cause
20 undue stress on the individual because many of
21 them have great difficulty in handling money. In
22 fact, an awful lot of them wouldn't be able to
23 sign the forms because of arthritic hands and they
24 would find it awfully hard to comprehend just what

1 would be expected of them.

2 Metropolitan Paratransit Company has been
3 providing transportation for Sara and others like
4 her to the Vital Age Center. They have done a
5 remarkable job considering the stress that they
6 have been subjected to because of the recent new
7 directives by Medicare and PennDOT. They can no
8 longer even carry individuals for individual
9 position visits.

10 Luckily, and Sara is very lucky, we were
11 able to find a position physician who makes home
12 calls. We were able to find a dentist who makes
13 home calls.

14 To eliminate the third-party payment
15 would throw out of the labor market many of the
16 transportation services and workers, and with
17 unemployment rates climbing each year, those
18 people thrown out of work would only increase the
19 number of individuals now standing in unemployment
20 lines across the State of Pennsylvania.

21 I feel that PennDOT's proposal is unfair.
22 It is at least a problem in not addressing the
23 management of the program and at most it is a
24 tactical error of dubious legality, as quoted in

1 the Philadelphia Inquirer editorial of August 8,
2 1985.

3 I urge you, the members of this hearing
4 panel, as I said at the beginning, to listen with
5 your hearts as well as with your heads. Please
6 insist that PennDOT withdraw the proposal to
7 eliminate third-payment payments for the 203
8 lottery program.

9 I thank you.

10 (Applause.)

11 CHAIRMAN LINTON: Thank you.

12 Do any members of the committee have any
13 questions that they want to ask?

14 You mentioned that you were fortunate
15 that your aunt was able to get a dentist and
16 doctor who make house calls, which is almost
17 impossible in this day and age.

18 MS. SHIRDAN: Yes.

19 CHAIRMAN LINTON: What in fact would have
20 been your alternatives if that was not possible?

21 MS. SHIRDAN: I don't think she would
22 have gotten to a physician for her regularly
23 scheduled visits for a very long time until my
24 husband would probably take the day off from work

1 and we would bodily carry her to the car. He
2 usually carries her and I walk behind with the
3 wheelchair, and that's the way we would have
4 gotten to the physician eventually.

5 CHAIRMAN LINTON: Have you utilized at
6 any point the paratransit service that SEPTA has,
7 or whatever service? Do you use WITH with your
8 aunt other than those that get survival wages?

9 MS. SHIRDAN: I have only used the
10 Metropolitan Paratransit Service. At one point in
11 time, they were actually providing the
12 transportation for individual physicians'
13 appointments. I called one day and reminded them
14 that we were scheduled and was told that they
15 could no longer provide that kind of individual
16 service.

17 CHAIRMAN LINTON: Any other questions?
18 Thank you very much again for your
19 excellent testimony.

20 MS. SHIRDAN: Thank you.

21 CHAIRMAN LINTON: Now I would like to
22 hear from Mr. Robert Wooten, the assistant general
23 manager of SEPTA.

24 Mr. Wooten.

1 MR. WOOTEN: Thank you, Representative
2 Linton.

3 I have with me Susan Axelworth, who is a
4 special service supervisor at SEPTA and is
5 extremely conversant on our paratransit program.

6 Good morning. My name is Robert T.
7 Wooten and I am assistant general manager for
8 public affairs and management services for SEPTA.

9 I appreciate the opportunity to present
10 testimony regarding SEPTA's participation and the
11 opportunity to speak on the Department of
12 Transportation's 203 Shared Ride Program.

13 As I'm sure everyone is aware, SEPTA is
14 responsible for providing public transit service
15 in Bucks, Chester, Delaware, Montgomery and
16 Philadelphia Counties. Most of SEPTA's service is
17 provided by fixed route transportation. For this
18 service, SEPTA receives revenue reimbursement from
19 the Commonwealth for providing free transit for
20 senior citizens.

21 SEPTA's participation in PennDOT's 203
22 program is through our paratransit system. SEPTA
23 operates a demand responsive, door-to-door system
24 through contracts with five private carriers in

1 the City of Philadelphia. This service is open to
2 the public. However, the majority of our riders
3 are disabled persons who cannot use our fixed
4 route service. SEPTA has registered over 8,000
5 individuals in the program, 36 percent of whom are
6 aged 65 or over. We are presently providing a
7 total of about 13,000 trips per month.

8 The service is quite specialized due to
9 the clientele we are serving. The driver escorts
10 the rider from the front door to the vehicle and
11 to the building entrance at the rider's
12 destination. Wheelchair life-equipped vehicles
13 are available when needed, and sedans, passenger
14 vans and small buses are also used.

15 As required by the state's 203 program,
16 SEPTA Paratransit operates a Shared Ride system.
17 In other words, riders must be willing to share a
18 trip with other passengers. Of course, it must be
19 remembered that the concept of a demand responsive
20 door-to-door service does not always lend itself
21 to multiple-passenger trips. It is unlikely that
22 every trip can be scheduled to include more than
23 one passenger per vehicle.

24 A program like ours that largely attempts

1 to serve individual requests will have difficulty
2 maintaining trip productivities of more than about
3 two trips per vehicle hour. Any legislation or
4 regulations should take this into account in
5 establishing reasonable reimbursement
6 methodologies.

7 Basically, SEPTA supports the concept of
8 coordinating service in counties where more than
9 one carrier exists. The authority coordinates its
10 own paratransit service. We feel that local
11 transit authorities should have the right of first
12 refusal as the coordinator if such a plan is
13 develop but should not be forced to serve as
14 coordinator.

15 However, any program legislation should
16 not penalize the coordinator and carriers by
17 providing inadequate funding for revenue
18 reimbursement and costs. No carrier, private or
19 public, will provide 203 Shared Ride service if it
20 is not reimbursed for the cost of such service
21 SEPTA will be unable to provide reduced fare
22 services without full revenue reimbursement and
23 should be allowed to set full reasonable fare
24 rates.

1 SEPTA is presently under contract with
2 the Philadelphia Corporation for Aging, PCA, to
3 provide transportation in the city for senior
4 citizen clients of PCA. Since many of these
5 passengers have a common destination, more riders
6 can be served using fewer vehicles, thereby
7 reducing the cost of the service. Third-party
8 contract arrangements such as this are efficient
9 and are productive. Everyone gains under this
10 arrangement. PCA pays the 10 percent share for
11 the rider, giving the elderly free transportation.
12 The cost of the trip is reduced dramatically,
13 thereby saving the Commonwealth money.

14 SEPTA supports the need for uniform data
15 reporting and analysis. Such information may be
16 useful to the Commonwealth in determining
17 satisfactory performance and in establishing
18 appropriate reimbursement methodologies. However,
19 such a data requirement should not be burdensome,
20 nor request excessive information. Standard
21 industry data indicators should be employed and
22 local collection methodologies utilized, including
23 reasonable sampling techniques.

24 Although our participation in this

1 program is very limited compared to some of the
2 other operators in Philadelphia, we are taking
3 steps to reduce the cost of our service and to try
4 to better serve our customer.

5 I appreciate the opportunity to appear
6 here today and will be happy to answer any
7 questions you may have.

8 CHAIRMAN LINTON: Thank you very much,
9 Mr. Wooten.

10 I have a question, not necessarily
11 directed specifically at SEPTA, but I don't know
12 how you can answer this. But give it a shot.

13 In regard to your membership pamphlet, we
14 have heard a lot about the quarter-mile rule, and
15 in fact, I would suspect that everyone who has
16 come before us today, their testimony has
17 identified the quarter-mile rule is one of the
18 most difficult components of the regulations.

19 Could you attempt to give the panel some
20 of the feelings that have been discussed among the
21 members of PAMTA for their support of the
22 quarter-mile rule so the members of the committee
23 can hear the other perspective?

24 MR. WOOTEN: Yes.

1 My perception of the position taken by
2 some PAMTA members -- and they tend to be the
3 PAMTA operators and medium-sized --

4 CHAIRMAN LINTON: Could you as a member
5 of PAMTA explain?

6 I'm not quite sure.

7 MR. WOOTEN: PAMTA is the Pennsylvania
8 Association of Municipal Transportation
9 Authorities. It is a group that includes both the
10 urban operators, the large ones, including SEPTA
11 and port authorities, medium-sized ones, spread
12 throughout the states, and also the rural
13 PROPERTIES who are funded under a different
14 program.

15 What I would clarify, the medium-sized
16 operators in Lancaster, for example, have
17 expressed concern, let's say, for the last year,
18 perhaps a little bit longer. They thought that
19 they were losing senior citizen ridership in the
20 off-peak hours to 203 private operations and have
21 therefore expressed a desire for at least that
22 length of time that there be some sort of
23 coordination to the point of -- I have heard them
24 speak to the point of some 203 operators even

1 soliciting rides at the bus stops during the off-
2 peak. That is, of course, a loss of revenues to
3 that particular transit authority, since they
4 would be reimbursed at the base fare rate, if that
5 particular individual had boarded at a fixed route
6 service.

7 To digress, it is obviously much more
8 difficult to perceive that situation in
9 Philadelphia. To be perfectly frank, we do not
10 know whether those kinds of practices occur, and
11 our senior citizen ridership, I believe as a
12 result of what we think, is better quality of
13 fixed route service, and simply a demographic
14 phenomena, our senior citizen fixed route
15 ridership has continued to increase over the last
16 four or five years

17 CHAIRMAN LINTON: Thank you.

18 I just want to mention or at least have
19 some of the members here -- because I have
20 received some letters and documentation that has
21 been provided to me from some of the members of
22 PAMTA, and I think that has been one or at least
23 some of the authorities have been speaking in
24 support of the quarter-mile rule, some of them

1 indicating the loss of ridership in their
2 authorities and therefore resulting in loss of
3 funding. And I think just members should at least
4 be aware of that concern as we listen to the
5 deliberations throughout the hearings.

6 Any questions for Mr. Wooten from SEPTA?

7 Mr. Scott Kasper.

8 BY MR. KASPER:

9 Q. Mr. Wooten, you mentioned Red Grove
10 Transit at least by inference, an agency in
11 Lancaster.

12 Did those solicitations take place in
13 their service area when you referred to some
14 instances of the seniors being propositioned by
15 providers to come and use their service when they
16 were at bus stops?

17 Did that occur in the Red Grove system?

18 A. As that was explained to me, I have the
19 impression -- of course, I have no direct
20 knowledge but, yes, that's the impression that was
21 conveyed to me.

22 Q. Was this a problem that other PAMTA
23 members experienced?

24 A. I believe there have been a number -- at

1 least two or three more that I can recall off the
2 top of my head who have expressed serious concern
3 about the loss of fixed routes riders to 203
4 providers.

5 Q. Without getting into specifics, is this
6 problem of a few -- perhaps a few providers or is
7 it a little bit more problematic than that? Is it
8 a bigger problem than that?

9 In other words -- maybe I could rephrase
10 it -- is it a situation where in lots of
11 medium-sized cities such as Lancaster we have a
12 direct head-to-head competition, so to speak, of
13 the providers and the mass transit authorities --

14 A. Yes.

15 Q. -- over the senior citizen riders?

16 A. Yes, that is my impression of the
17 situation.

18 Q. Even though in those counties such as
19 Lancaster covers where you have a core city of
20 Lancaster and Red Grove's routes radiating out
21 into more medium-sized routes in the city, it is
22 still a problem of the providers soliciting within
23 a city and along those routes?

24 A. Yes.

1 Q. Whether it's an ample market, so to speak,
2 for senior citizens that are not served by these
3 in most parts of the county?

4 A. That is how the situation has been
5 expressed, yes, that there has been direct
6 solicitation and not -- apparently not an attempt
7 by some folks by inference to serve those who
8 perhaps can be better served by that kind of
9 service.

10 MR. KASPER: Thank you very much.

11 MR. WOOTEN: You are very welcome.

12 CHAIRMAN LINTON: Let me ask one more
13 question.

14 BY CHAIRMAN LINTON:

15 Q. With regard to the productivity, in your
16 testimony you made reference to the fact that
17 sometimes getting two riders per Share Ride hour
18 would be good.

19 We heard earlier testimony how many of
20 the transit providers have now stopped taking the
21 one passenger kind of request to a doctor's office
22 for someone who is extremely disabled. Some of
23 the proposed regulations talk about the figures as
24 much as four riders per ride and averaging four

1 riders per ride.

2 How would that in fact impair upon your
3 paratransit?

4 A. I am going to answer briefly and then ask
5 Susan, who is closer to the administration of the
6 program.

7 One of the things I didn't state, which
8 is somewhat of a tangent in my testimony, was our
9 relationship with the PCA, which is where you can
10 really get more productivity. However, there have
11 been expressions within the same kind of
12 regulations that would prohibit because it is a
13 payment by an agency for the 10 percent fee, it
14 almost contradicts or works against the ability to
15 generate productivity. If I ask Susan --

16 CHAIRMAN LINTON: Could you identify
17 yourself again for the record?

18 MS. AXELWORTH: Yes. I am Susan
19 Axelworth. I'm a special service service
20 supervisor at SEPTA.

21 The question of productivity has several
22 different aspects.

23 PennDOT in July proposed regulations did
24 indeed call for the typical demand responsive

1 service achieving productivity of four-person
2 trips per what they called life vehicle hour.
3 This is entirely feasible for almost any sizable
4 demand responsive service.

5 When we're talking about the hours of
6 heavy demand, the demand responsive service such
7 as paratransits experienced peak hour demand and
8 slack demand in off-peak hours in the same manner
9 we have found that the SEPTA peaks throughout the
10 system does.

11 Therefore, if we're offering service 16
12 hours a day, as we do in SEPTA paratransit, we
13 find that perhaps eight of those hours experience
14 a heavy demand, in which even with tailored trips
15 door to door, arranged one by one, which is what
16 we're talking about in most cases, even with that
17 kind of trip, we can certainly achieve something
18 very close to four persons per vehicle hour.

19 However, our so-called life hours include
20 perhaps as many as eight slack hours out of those
21 16 every day in which the demand simply does not
22 occur to the extent that we can feasibly achieve
23 getting as many as four trips on each of the
24 vehicles that's out there for a life hour during

1 those periods.

2 Therefore, we feel that we would be
3 adversely impacted by the overall revenue reverse
4 methodology which would require -- which would
5 assume that we should be able to achieve an
6 average of four-person trips per vehicle hour.

7 That means by -- let me explain further.

8 That while many of the organizations that
9 were here today and presented, I felt quite
10 convincingly their needs for this transportation,
11 while many of them indeed would be third-party
12 contracted service where this is extremely
13 reasonable, it's extremely reasonable to round up
14 a group of persons and take them into the center
15 at a given time than to bother at the end of the
16 service day to go to the center and take them home
17 and get that kind of productivity.

18 However, as you also heard in the
19 testimony, much of the support that organizations
20 for seniors want to give to the individual seniors
21 does not imply rounding up a group, taking them to
22 or from a common designation.

23 It is implicit in the kind of thing we do
24 all the time in paratransit, which is to arrange

1 for a single person's need for travel from their
2 home to a single location and back.

3 Therefore, to require a productivity that
4 in our case would mean we feel an adverse impact
5 on our revenue reimbursement, and in the case of
6 individual private care would probably encourage
7 them to suggest that they did not want to carry a
8 person at a given time because they travel alone,
9 we think is something that needs some serious
10 thought.

11 CHAIRMAN LINTON: Do you at this point --
12 if someone was to call to request a trip, a single
13 trip per se, would that person be told they are
14 not eligible for utilizing the paratransit service?

15 MS. AXELWORTH: In no way, in no way.

16 In fact, 90 percent or more of the trips
17 that we provide on paratransit are reserved one by
18 one, by the individuals who use the service.

19 CHAIRMAN LINTON: Even if you were not
20 able to pick up someone else along the line?

21 MS. AXELWORTH: Oh, absolutely. That is
22 no criterion for accepting a trip.

23 CHAIRMAN LINTON: Any further questions?

24 We would like to thank you once again for

1 your testimony.

2 (Luncheon recess)

3 CHAIRMAN LINTON: I would like to
4 acknowledge the presence of the chairman of the
5 State Transportation Committee who has joined us
6 today also, Representative Dennis O'Brien, who is
7 in the back of the room, who is expected to join
8 us at the table.

9 Before we get started officially, I would
10 like to have Representative John Fox from
11 Montgomery County, who has a statement that he was
12 to make into the record.

13 Thank you very much.

14 MR. FOX: In terms of the speaker this
15 morning, I just have some brief observations I
16 wanted to share with the committee.

17 The lottery program, as I understand it,
18 such a Shared Ride mandated and therefore must be
19 fully funded. Artificial constraints placed on
20 senior riders, such as the quarter-mile rule to
21 nonthird-party reimbursement, reduce their share.

22 Rather than taking time, I'm not alleging
23 abuse. If there are problems of abuse by some
24 carriers, I urge the employment of the inspector

1 general and special auditors to check their
2 records and to weed out the ones that are causing
3 a problem. As most of us in government realize,
4 we spend countless hours trying to get
5 constituents to participate in state responsive
6 programs.

7 Here we have high level participation,
8 possibly the most valuable state program.

9 Let's keep it alive and well and
10 unrestricted.

11 Thank you.

12 CHAIRMAN LINTON: Thank you
13 Representative Fox.

14 MR. FOX: Thank you, Mr. Chairman.

15 CHAIRMAN LINTON: Mr. Joseph Mayer,
16 Adult Center Day Care Association.

17 MR. MAYER: First of all, I would like
18 to apologize because I don't have a copy of my
19 testimony and I can only blame my ignorance of the
20 protocol, and I will make a copy available as soon
21 as I can get it typed

22 CHAIRMAN LINTON: Thank you. That's fine.

23 MR. MAYER: My name is Joseph Mayer and
24 I'm the service coordinator of the Adult Center at

1 the Crozer-Chester Medical Center. I'm here today
2 primarily representing the Pennsylvania Adult Day
3 Care Association, which in turn represents
4 approximately 60 licensed adult day care programs
5 statewide.

6 In putting together this testimony this
7 morning, I realized that I'm going to flip-flop my
8 hats a little because I am also on the Board of
9 Directors of the Senior Victim Service of Delaware
10 County, and I think some issues -- or at least one
11 specific issue needs to be addressed from their
12 point of view.

13 I would like to spend a moment describing
14 adult day care programs and the clients we serve.

15 Adult day care programs are responsive to
16 a growing need to provide deinstitutionalized care
17 to the frail and handicapped elderly. The state
18 describes adult day care programs as facilities
19 that provide a program of activities within a
20 protective nonresidential setting for adults who
21 are not capable of full-time independent living.

22 The statement "for adults who are not
23 capable of full-time independent living" only
24 gives a hint of the frailty of clients served in

1 adult day care programs.

2 There are several types of day care
3 independent programs. There are programs such as
4 mine which serve people suffering from Alzheimer's
5 disease. This disease is a progressive and
6 degenerative brain disorder which has a
7 devastating impact on the clients and the families
8 who care for them.

9 There are medical adult day care
10 providers and contained with social rehabilitation.
11 The clients served in these medical day care
12 programs are those because the DRGs who are being
13 discharged in hospitals very early in their
14 recovery period, and without the medical day care
15 programs would have to be in convalescent centers,
16 nursing homes, and extended care facilities, none
17 of which the families can readily afford.

18 Then there are programs which
19 unfortunately have been labeled as social adult
20 day care programs. I say "unfortunately" because
21 the term "social program" draws forth thoughts of
22 a club where people play games and go on trips.
23 It does not indicate that the clients in these
24 programs mostly like are premature because of the

1 level of frailty.

2 The Pennsylvania Adult Day Care
3 Association is very concerned with the proposed
4 rules and regulations governing Shared Ride
5 transportation service authorized by Section 203
6 of the Pennsylvania Urban Mass Transportation Law.

7 I would like to review some of the
8 proposed regulations and the impact these would
9 have on our adult day care clients.

10 First, the regulation that calls for the
11 elimination of free rides for escorts.

12 Adult day care programs, by state
13 regulations, must provide escorts for those
14 clients being transported to and from programs
15 unless the transportation is being provided by the
16 family. These escorts can be either family or
17 volunteers.

18 I would like to give you two case
19 examples where the escorts have really made a
20 major difference.

21 One is a woman and I will just call her
22 Clara. She had been coming to the program for a
23 few days with her daughter-in-law. However, each
24 time she got in the car, she tried to open the

1 door. She tried to open the door. And her
2 daughter-in-law was ready to pull her out of the
3 program. I suggested that she come in via our
4 paratransit system where there is an escort there.
5 This has worked out fine. This woman has been in
6 the program now for four to six months and is
7 doing very well.

8 Another case where transportation was not
9 available in any form other than the paratransit
10 system was a gentlemen named Jim. He
11 unfortunately was not able to stay in the program
12 long. But to give you the idea of what the escort
13 does on the paratransit system for us, he became
14 very paranoid on the ride home, got up and went to
15 attack the driver. He was driving on a major
16 highway. The escort was able to subdue him until
17 the van was able to move over to the side of the
18 road. It took about an hour and a half to get the
19 situation under control and finally the police had
20 to be brought to get the gentleman home.

21 This is a case where if an escort was not
22 available on that van, there would have been a
23 major accident and maybe death.

24 Second, the proposed regulations would

1 eliminate or change drastically the present system
2 that allows third parties, the 10 percent
3 discharge to riders. In our case, our Triple A
4 provides that 10 percent. They pay it now.

5 To give an idea of what would happen if
6 that were changed and if under the proposed
7 regulations, that our clients would have to pay
8 this amount prior and then be reimbursed, first of
9 all, most if not all of our clients are on fixed
10 incomes. They may not have the money to pay up
11 front.

12 The other problem is right now our trip
13 provides one check a month to paratransit carriers
14 for all the people receiving transportation, and
15 that 10 percent is required. For our county alone,
16 Delaware County alone, that would change to 400
17 reimbursement checks per month from one presently.
18 That would place an undue financial hardship on
19 the Triple A in our county and possibly eliminate
20 that process and make it necessary for our clients
21 to pay that 10 percent themselves again. They
22 cannot afford that.

23 Third, the proposed regulations would
24 prevent riders over 65 years of age from using

1 paratransit services if the origin and destination
2 are within a quarter middle of the bus stop.

3 This is where I like to kind of flip-flop
4 hats for a second and become one of the members of
5 the Board of Directors of the Senior Victim
6 Service.

7 Also, I work in the City of Chester for
8 the last ten years. What I can tell you is that a
9 one-block walk can be very dangerous for an
10 elderly person in the City of Chester, and I don't
11 think it is limited to just the City of Chester,
12 but that's where I have seen it's happen.

13 The paratransit carriers in our area go
14 to the door and are able to pick up the person.
15 With the escort there, you actually have two
16 adults who are very competent to help the person
17 out of the house and into the van and really
18 reduce the chances of that person being mugged. I
19 think this would happen with all senior citizens,
20 not just the people that attend our day care
21 programs, but anyone that would have to walk a
22 quarter mile to get to a bus route. It's really a
23 very potential victim and we see it constantly.

24 The proposed regulations would limit the

1 length of a ride to a certain distance requirement.
2 This would have severe impact on the client being
3 served in adult day care program. This is
4 primarily because adult day care programs serve a
5 different type of client population. There may be
6 one person with Alzheimer's disease who is right
7 across the street from a medical rehabilitation
8 day care program. However, that program may not
9 be able to handle Alzheimer's clients, so that
10 person may have to go miles.

11 Under the proposed regulations, as I
12 understand it and our association understands it,
13 it would only be that person goes to adult day
14 care and it would be the closest to day care. We
15 do not deny this is feasible because of the
16 difference in the requirements.

17 I want to thank you for allowing me to
18 testify and I will get a copy of this to you as
19 soon as possible.

20 CHAIRMAN LINTON: Thank you very much,
21 Mr. Mayer.

22 Do any members of the committee have
23 questions for our witness?

24 Thank you very much for taking the time

1 to testify before our committee.

2 We now would like to have Mr. Robert
3 Hutchinson and Ms. Pat McKnight from the Langhorne
4 Cab Company.

5 Mr. Hutchinson or Ms. McKnight in the
6 audience?

7 Mr. Russell Maxwell, owner of the
8 Doylestown Taxi Company.

9 MR. MAXWELL: I am Mr. Maxwell, and Mr.
10 Hutchinson didn't think he could make it down
11 today. He called me and asked me if I could make
12 the statement.

13 I am the owner of the Doylestown and
14 Lower Bucks Taxicab Company and we operate in
15 Bucks County and the county. We go through the
16 county for our trips and funding. We don't go
17 through PennDOT or anybody else. They give us our
18 calls and we do them.

19 Our biggest problem in things like Bucks
20 County is trying to hold onto to what we have
21 because they keep changing administrators, and
22 since I have been there -- I started with them
23 five years -- I have gone through five
24 administrators since I have been there in three

1 years. Seems like each one has a different idea.

2 Now, we serve approximately anywhere from
3 75 to 150 senior citizens a day. It all depends
4 what they give us for that particular day. We run
5 buses, wheelchair buses, plus vans, plus cabs, and
6 whichever the client needs to get into that
7 particular vehicle, that's what we run. And we
8 have to go through on a bid to get our work and
9 our particular franchised area.

10 So I have tried to get funding, but we
11 must go through the county, I was told, which
12 makes it go slow on us because we have to do what
13 they say and we have to constantly do that what
14 they want us to do. If we don't do what they want
15 in our particular area, which is -- which costs
16 legal fees to keep them out and protect what we
17 got.

18 BY CHAIRMAN LINTON:

19 Q. You are presently operating in the 203
20 program?

21 A. Yes. I run through the County of Bucks.

22 Q. But through the county?

23 A. That's right.

24 Q. What are the provisions of regulations

1 that the county is imposing that you find
2 difficult for you to work with?

3 A. Well, it seems like they like to have a
4 larger operation, people operate the service.

5 Now, we have been there -- well, I have
6 been in the business all my entire live. My
7 father has been in it a good many years and we
8 handle all kinds of people back 50 years ago. My
9 father did same kinds of people that they are
10 handling today and took care of them, and we
11 handle them, take care of them more or less. Like
12 they are everyday customers. We go in the door,
13 help them out, put them in the car, take them to
14 where they want to go and deliver them. When they
15 are done, they call us and we go back and get them
16 and bring them home.

17 We have been doing this for a good many
18 years, but if we got the 203 funding, we wouldn't
19 have to go through them and be able to handle our
20 clients, and without having somebody with their
21 hands over your head, if you don't do it, you are
22 out.

23 So we felt that we should try to get the
24 funding ourselves, which we can't. We had to go

1 through the county.

2 Q. So if I understand you correctly, your
3 concern is that under the current situation in
4 Bucks County, you operate under the jurisdiction
5 of the county, and you would like to in fact be a
6 direct 203 provider, that will enable you to bill
7 directly to the state for the 90 percent
8 reimbursement?

9 A. That's right. So would Mr. Hutchinson,
10 too.

11 We all would like to do that because we
12 can operate our businesses better and not have to
13 do the bidding with whoever the people wanted to
14 do it with. Okay. You can have it today but you
15 can't have it tomorrow, which I don't think is
16 right.

17 Q. In the county situation, does the county --
18 they deploy or they contact your company and say,
19 in fact, they want these particular passengers to
20 be picked up and for you to utilize it today, then
21 they may not contact you tomorrow?

22 A. No.

23 What they do, everybody that wants a
24 particular -- say a senior citizen wants to call.

1 They call the county between 9:00 and 3:00, and at
2 5 o'clock we get a computer sheet of all our calls,
3 and it can vary anywhere from 60 calls to maybe
4 130, 150 calls, but that's usually on the
5 beginning of the month because they have their
6 money then and then they move a little more AND
7 THE end of the month.

8 But you have to go when they say you can
9 go because it's between them two times.

10 Like we're open 18 hours a day, and if
11 they wanted to go to the hospital, they have to
12 pay a cab fare to go instead of the senior call.

13 Q. Has Bucks County divided the area into
14 territories per cab company or --

15 A. No. What your certificate area is.

16 In other words, Langhorne is down in the
17 lower end and I'm in the center. Then there is
18 Quakertown up at the upper end and they handle the
19 upper.

20 I handle the center and Langhorne handles
21 down the lower end of Bucks County.

22 Q. So, therefore, the county acts as the
23 coordinator of the service within Bucks County and
24 they designate the riders that you are to provide

1 service for on any particular case day?

2 A. That's right.

3 And what they give us, that's what we do.
4 And if anybody else wants it, then they have to
5 pay a regular cab fare.

6 Q. How do you determine your fare structure?

7 A. With the county. It is controlled by
8 them. They tell us what to charge.

9 In other words, some people pay a fare
10 and some don't. They ride free. I don't know how
11 they do it.

12 All I know is that we just run the calls.
13 Then they give us \$3.30 a call. And it doesn't
14 matter how far you go. That's what they pay us.

15 You could run one mile, you could run 10
16 miles. You still get the same.

17 Q. Evidently, you do not operate under the
18 PUC defined fare rates?

19 A. Oh, yes, that's running on my meter, but
20 under the seniors, that's -- the county is, like I
21 said before, the count pays us to handle the
22 senior, but if Mrs. Jones misses, then Mrs. Jones
23 must pay the PUC rate to where she wants to go.

24 Q. So because you have the county

1 coordinators, they are able to contract the
2 service for the rates that they in fact determine?

3 A. That's right.

4 Q. Rather than if you were an individual 203
5 provider, you would go before the PUC for your own
6 tariff and then have your own rates set and
7 established?

8 A. That's right.

9 We're constantly in court that people are
10 applying for our area and then the court will say,
11 well, we are going to put your area out for bid.

12 Well, then we go to the PUC because we
13 feel they can't put our certificated area out to
14 anybody that wants it because we bought it and
15 worked for it.

16 Why would they be allowed to put it out
17 for bid.

18 CHAIRMAN LINTON: Thank you.

19 I have no further questions, but I think
20 it is one of the areas of concern, at least to me,
21 in the administration of the 203 program, which is
22 the overlap and the interrelationship between the
23 PUC in determination of their regulatory and rate
24 setting and the authority that the Department of

1 Transportation has in terms of implementing, and
2 then you also have the involvement from the
3 Department of Aging.

4 I think some of the things that we're
5 going to have to try to iron out here is how these
6 three or four agencies interact in the
7 implementation of the program.

8 Representative Murphy.

9 BY MR. MURPHY:

10 Q. You just mentioned that you bought your
11 route. You didn't buy the access route. You are
12 talking about your --

13 A. Franchised area.

14 Q. Your cab business, not the access
15 business?

16 A. No. The cab business.

17 Q. So what you are saying to us is, though,
18 in buying the franchised area?

19 A. I have paratransit rights in that area.

20 Q. But buying that, you seemed to indicate
21 that you believe that you have should have the
22 franchise automatically for the access program in
23 the area?

24 A. That's right.

1 Q. Why do you believe that?

2 A. Because it's ours.

3 Q. Why is it yours?

4 A. Because we bought it, we worked for it
5 and we built it up.

6 Q. The access program?

7 A. The senior program?

8 Q. Yes.

9 A. No, we didn't start the senior program.
10 PennDOT started that.

11 Q. Why do you have the impression that you
12 have the God-given right to have that because you
13 have the right for cab service in the area?

14 A. Well, when -- over all the years that
15 whenever anybody had a franchised area for the PUC,
16 that you were -- nobody else could come into your
17 franchised area until you could prove fault in
18 your service.

19 Q. This is an additional service that would
20 not in effect be competing with your private
21 business?

22 A. It's about 75, 80 percent of my business.

23 Q. You would be out of business?

24 A. Yes, sir, I would. It would be no

1 taxicab.

2 Q. What did you do before the access program?

3 A. What did I do before that?

4 Taxicab business. It's a family --

5 Q. But you are telling me now that the
6 senior program has become 80 percent of your
7 business?

8 A. It's a good portion of it, yes.

9 Q. So you had a very small business before
10 this program?

11 A. Yes, we did.

12 We only had two cars. We are up to 22
13 now.

14 MR. MURPHY: Okay. Thank you.

15 CHAIRMAN LINTON: Scott Kasper, House
16 staff.

17 BY MR. KASPER:

18 Q. Mr. Maxwell, I am a little bit confused
19 on the various aspects of rates.

20 When you are talking about Bucks County,
21 the county setting the rates, isn't it -- don't
22 they determine the rates and then they enter into
23 contracts with the county?

24 A. That's right.

1 Q. Before you sign the contract, you know
2 what the rate schedule is going to be for the
3 service you provide?

4 A. That's right.

5 Q. I'm just not sure about that. I just
6 wanted to make sure we got that on the record.

7 So even though you may not like that
8 arrangement and Bucks County rates may be for some
9 routes lower than the PUC-approved rates,
10 nonetheless you do have the opportunity to take a
11 look at that and enter into a contract with the
12 county, so it's not a situation that you are
13 halfway through your fiscal year and all of a
14 sudden the county comes up with rates, you know,
15 they spring on you? You know that in advance when
16 you sign the contract?

17 A. That's right.

18 MR. KASPER: Thank you very much.

19 MR. MAXWELL: We have a two-year contract.
20 I am on my second year right now.

21 CHAIRMAN LINTON: Thank you.

22 Any further questions from the members of
23 the committee?

24 If there are none, I have none.

1 Thank you, Mr. Maxwell, for providing us
2 with the testimony.

3 MR. KROON: My name is Frederick D. Kroon,
4 and I am the president of the Professional
5 Paramedical Services, Inc., of Philadelphia.

6 I'm speaking to you this afternoon as a
7 representative of the Pennsylvania Med/Spec
8 Transportation Association, a group of six
9 paratransit firms that operate in the Greater
10 Philadelphia area. The management and employees
11 of those firms join me in thanking the committee
12 for this opportunity to discuss the future of the
13 Commonwealth's Shared Ride Transportation Program.

14 The purpose of this hearing is to explore
15 certain concerns that have arisen with respect to
16 the program's growth and cost. These are
17 important issues, and the members of our
18 association feel a professional obligation to have
19 those issues addressed in as expeditious and
20 forthright a manner as possible.

21 Yet there is often a risk attached to an
22 inquiry of this nature, however necessary the
23 inquiry may be. When we set out to improve or
24 refine particular elements of a program, it is all

1 too easy to lose sight of the program's broader
2 significance. In effect, we lose sight of the
3 inquiry's starting point.

4 By way of reemphasizing our starting
5 point, let me offer this observation, and it is an
6 observation which no one in this room, I feel sure,
7 would be inclined to dispute.

8 When the General Assembly created the
9 Shared Ride subsidy in 1980, it set in motion, in
10 quite the literal sense of that phrase, a program
11 that would enrich the lives of thousands upon
12 thousands of Pennsylvania's elderly. Few
13 legislative decisions have received such
14 widespread and well-deserved acclaim.

15 In short, measured against any standard
16 that one might choose to apply, Pennsylvania's
17 Shared Ride Program has been an outstanding
18 success.

19 So successful has the program been, in
20 fact, that the demand for Shared Ride
21 transportation has far exceeded expectations.
22 Ironically, it is the very attractiveness of the
23 service, its inconvenience, its reliability, that
24 now jeopardize its survival in some areas of the

1 Commonwealth.

2 Heightened demand has brought with it
3 higher costs. The officials who bear the ultimate
4 responsibility for determining the Shared Ride
5 Program's future have decided that those higher
6 costs should be attributed in large measure to
7 inefficiency and abuses. Accordingly, they have
8 proposed a series of regulatory restrictions,
9 restrictions that would, if implemented, force
10 many carriers either to curtail their services or
11 to withdraw from the program altogether.

12 I must hasten to stress at this point
13 that the members of our association have been
14 generally quite satisfied with the manner in which
15 the Department of Transportation has administered
16 this program on a day-to-day basis over the past
17 several years. We have been reimbursed for our
18 services in timely fashion and the department's
19 staff has been unfailingly helpful.

20 Regretfully, however, I must also stress
21 that the department has acted in this instance
22 with undue haste and with insufficient regard for
23 the Commonwealth's regulatory processes.
24 Deliberation has given way to decree, with the

1 result that PennDOT is attempting to restructure
2 the Shared Ride Program on the strength of a
3 flawed premise.

4 The program's growth curve is not, as the
5 department insists, an abuse-riddled aberration.
6 It is instead a perfectly logical and inevitable
7 response to the demographic and social realities
8 of the situation.

9 Quite simply, the Shared Ride Program is
10 growing because the state's elderly population is
11 growing and because the program is offering that
12 population something that it wants and is entitled
13 to: mobility. Moreover, the program is providing
14 that service in safe and comfortable surroundings,
15 at an affordable cost.

16 When a program fills a widely felt need,
17 it will succeed and grow. Any other explanation
18 would seem to weigh but lightly in the balance.

19 Nonetheless, the Department of
20 Transportation continues to maintain that abuses
21 are widespread in the Shared Ride Program and have
22 contributed significantly to its rising costs. In
23 that regard, I can only tell the committee that
24 our association, which has a vested interest in

1 protecting the program's integrity, has seen no
2 evidence of such abuse. Nor, indeed, has the
3 department been able to document its claims in any
4 detail.

5 The department is on firmer ground when
6 it suggests that paratransit service in some parts
7 of the Commonwealth is less efficient and
8 therefore less productive than it should be. This
9 is, after all, a relatively new program and it
10 would be foolish to deny that there is room for
11 improvement.

12 Our association feels strongly, for
13 example, that an equitable rate structure under
14 this program should reflect economies of scale,
15 and several of our firms have already developed
16 such structures. On this issue and others, we're
17 prepared to commit whatever time and effort may be
18 necessary to forge a consensus among all parties
19 concerned, particularly the Department of
20 Transportation.

21 To date, our efforts and the efforts of
22 others to achieve this consensus have been
23 disappointing in the extreme. Had the department
24 been more forthcoming about its plans for this

1 program, and had it made a greater effort to seek
2 the counsel of the program's participants, it
3 might not have been necessary for us to seek
4 relief from the courts. Nor might we have been
5 faced, as we are now, with a series of draft
6 regulations that threaten to eviscerate the Shared
7 Ride Program in Philadelphia.

8 From Philadelphia's standpoint, the most
9 pernicious of those regulations is the so-called
10 quarter-mile rule. As nearly everyone in this
11 room is aware, that particular regulation would
12 deny Shared Ride service to any nonhandicapped
13 person who lives within a quarter mile of public
14 transportation. It seems scarcely necessary to
15 add that very few Philadelphians live more than a
16 quarter mile from the bus or subway.

17 The folly of that proposal is readily
18 apparent. Should an otherwise health 80-year-old,
19 perhaps burdened with packages, be expected to
20 trudge up the icy steps of an El stop in the
21 middle of winter? Should she be expected to stand
22 for many miles on a moving car if no seats are
23 available? When she leaves the train, might she
24 not have to walk many blocks in darkness before

1 reaching her destination? And given the realities
2 of urban life today, might she not have good
3 reason to fear for her safety?

4 The Department of Transportation contends
5 that the Shared Ride Program is attracting vast
6 numbers of riders who would otherwise be availing
7 themselves of free transit on SEPTA's fixed route
8 system. Yet the facts do not bear out that
9 contention. SEPTA's free ride volume is actually
10 on the upswing, and in any case, the two programs
11 appeal to entirely different segments of the
12 senior adult community.

13 There are other PennDOT directives that
14 members of our association have found cumbersome
15 or unworkable, and I'm quite willing to review
16 them in detail if the committee wishes. I should
17 point out, however, that we're already in
18 compliance with many of the recommendations under
19 consideration by the special Shared Ride Program
20 task force in Harrisburg.

21 I would ask the committee to bear in mind,
22 too, that strict accountability is nothing new to
23 us. Like other private carriers in this state,
24 we're regulated by the Public Utility Commission.

1 It is the PUC, indeed, that determines what our
2 fare schedule will be. We're accustomed to making
3 financial records available for inspection, and we
4 object only on those occasions when an agency like
5 PennDOT makes requests for information that are
6 unjustifiably instusive in scope.

7 But it is not my intention to appear
8 before this committee today with a litany of
9 complaints. I would much prefer to discuss how
10 our association, as well as carriers throughout
11 the state, can be of help to the legislature and
12 the administration as you set about the task of
13 charting a new course for the Shared Ride Program.

14 It seems likely, for example, that a good
15 of information at our disposal would be useful to
16 you in your efforts to draft guidelines for the
17 more effective administration of the program. We
18 will gladly furnish that information, of course,
19 and we will look to you for further suggestions.

20 One thing seems certain: If all parties
21 to this process, the General Assembly, the
22 Department of Transportation, the Independent
23 Regulatory Review Commission, the special task
24 force, the carriers, the general public, are

1 allowed the participate fully and in good faith,
2 there is no reason why the Shared Ride Program
3 cannot continue to fulfill its mission with as
4 much success as before.

5 What is that mission?

6 Quite simply, to afford the elderly an
7 opportunity to escape the shadows of ill health,
8 isolation and inactivity. Much of our discussion
9 today and in the future will focus on the issue of
10 cost, but I think it is apparent to all of us that
11 the value of this program will always exceed its
12 price.

13 If the committee has any questions, I
14 will do my best to answer them.

15 CHAIRMAN LINTON: Thank you very much for
16 your testimony.

17 Representative Sowerman.

18 MR. SOWERMAN: This is probably more of a
19 comment, but you indicated on Page 4 that the
20 department -- "Nor, indeed, has the Department
21 been able to document its claims in any detail."
22 And then subsequently you kind of indicated that
23 they are asking for information which might be
24 intrusive.

1 I think that perhaps one of the reasons
2 that they haven't been able to document some of
3 these things is they haven't had the information
4 available on which to justify some of the claims.

5 I'm not sure that maybe you could tell me
6 what is the average fare with regard to the
7 service that your group provides.

8 MR. KROON: The average fare per my
9 organization is, say, approximately \$11, between 9
10 and 11 dollars. We have various fares depending
11 on the rate of carriage: wheelchair service,
12 escort service, group ride. One to two people and
13 three to four people, the mix comes out. And it
14 is a guess, but I would say around 9 to 10 dollars.

15 MR. SOWERMAN: In Montgomery County, we
16 have fares that vary from the lowest of \$7 up to
17 \$19, and I think that's one of the things that has
18 been concerning the department and others.

19 And you indicated also that those in the
20 authority have placed the blame or said that the
21 blame should be the inefficiencies, and I think
22 with those kinds of disparities and with the kinds
23 of irregularities in terms of service provided,
24 that certainly something needs to be done. And I

1 think that that may be some undue criticism of
2 some of those who feel responsible for attempting
3 to check the continually spiraling increasing cost
4 of a program because we have heard a good bit
5 today about the human element and we would want to
6 protect that human element.

7 What we want to do is to provide the best
8 service possible for as many people as possible,
9 and when the costs begin to get disproportionately
10 out of line, if some people can provide them at a
11 lower rate, then maybe something should be done to
12 see that others can do so, that the dollars that
13 are available will do the best job.

14 I admire your offer to assist in the
15 process of working such a system out and I think
16 there is no solution that can properly be met
17 without these kinds of meetings and discussions.
18 But I think it is a matter that we do have to look
19 at very carefully in terms of what those costs are
20 and I think that although all of us obtain the
21 information, certainly if it's not appropriate or
22 relevant information, then the department won't be
23 entitled to it. But if in fact it helps in some
24 way to get some order out of what appears to be a

1 somewhat chaotic situation, then perhaps that
2 becomes necessary.

3 MR. KROON: I would agree, and we stand
4 ready to assist in any way we can. It is not a
5 perfect program. We're not in it from that
6 position.

7 I think our concerns as carriers, our
8 group at least, is all of the various problems
9 with the program. We have been at the end point
10 for quite some time. We would just like to make
11 our positions that we feel that we can work with
12 the legislature as well as PennDOT, and if there
13 is room for improvement, we support that.

14 MR. SOWERMAN: If everyone accepts some
15 of the responsibility rather than blame everyone
16 else and work together to find the solution, it
17 will work out better.

18 CHAIRMAN LINTON: I think we place enough
19 blame on everybody for their share.

20 MR. KROON: Secretary Larson said that
21 the average rider cost in Philadelphia is \$10.49,
22 whereas for the same person arranging a ride, we
23 typically operate more extensive equipment in the
24 form of vans, many of which have life-equipped

1 attachments for wheelchair-bound senior citizens
2 as well as raised compartments, some of the
3 specialized equipment that we need to move.

4 Our entire way of doing business is
5 entirely different from a call and demand operator.

6 BY MR. KASPER:

7 Q. So your belief is that those costs can be
8 justified?

9 A. I believe that currently the cost can be
10 justified. If there is room -- I further believe
11 that there is room to justify the service.

12 Q. Differential of almost five on a average
13 trip.

14 You believe that can be justified?

15 A. If you take into consideration the call
16 and demand carriers don't must have any wheelchair
17 personnel. In that costs are many, many
18 wheelchairs.

19 Q. Let me pursue also how your various
20 members, where do they get their business?

21 Do they contract with senior citizen
22 centers?

23 Do they've a franchise from PUC?

24 A. All our members are certified by the

1 public utilities.

2 As far as getting business, it is not as
3 common as the one source of business. It's many
4 of us contract with Philadelphia Corporation on
5 Aging, the local Triple A. Other people deal
6 directly with senior adults and booking their own
7 transportation individually. Others do
8 subcontract work for the Archdiocese of
9 Philadelphia, the Jewish centers.

10 Q. How do they get the business?

11 Is it typical that a senior citizen
12 center will put out a bid that they are going to
13 transport X number of senior citizens and three or
14 four of your members will bid against each other
15 for that?

16 How typically do they get the business?

17 A. Well, most recently, the Philadelphia
18 Corporation on Aging let out an RFP request for
19 proposal, and this is a very current episode just
20 two weeks ago and it was open to anyone that had
21 203 funding.

22 Q. What was the RFP for?

23 A. Transportation to all of their senior
24 centers and satellites. Quite a number of centers,

1 50 percent.

2 Every carrier that had 203 revenue
3 replacement grant was free to bid that.

4 I understand that is quite a few of us in
5 Philadelphia County, 10 or 11 perhaps.

6 PCA let everyone know up there they were
7 going to be shopping prices, they were going to
8 choose four or possibly five carriers based on a
9 large part in their places and so forth with the
10 contract.

11 Q. So typically, the contracts in the
12 Philadelphia area are unlike the Bucks County
13 arrangement where it was a PUC franchise and the
14 individuals got the contract because of the
15 franchise.

16 Typically, that is not the case and you
17 are bidding the contracts either by individual
18 centers or groups of centers?

19 A. Indeed. As the phrase, as a God-given
20 right.

21 Certainly is no God-given right in
22 Philadelphia.

23 Q. Is there an inherent access right because
24 of their location?

1 A. All depends on the competitive base.

2 MR. KASPER: Okay. Thank you.

3 CHAIRMAN LINTON: I have a couple of
4 questions.

5 BY CHAIRMAN LINTON:

6 Q. You made reference to the RFP.

7 I understood there was also a court suit
8 involved in the RFP regarding the hourly rates.

9 Could you expound on what the contention
10 or points of contention are with the hourly rates
11 that some of the providers have with concerns for
12 that?

13 A. There was more than one concern,
14 primarily the typical way of doing business and
15 the unit rates.

16 The act that funds this particular Shared
17 Ride Program references unit per trip rates. We
18 had some concerns further that we would be
19 violating our public utility operating authority
20 by charging anything other than a per trip rate.

21 As an example, if I were to rent a
22 vehicle for an hour, it seemed to me, to our group
23 and to our attorneys that we would be offering
24 exclusive use of that vehicle for that hour, and

1 if that were the case, we would be in violation of
2 our operating authority, which could then be
3 rescinded or revoked, they would then be able not
4 to participate in the 203 program.

5 A number of concerns. We discussed them
6 with the Philadelphia Corporation on Aging through
7 our attorneys. There was some litigation. That
8 has now hopefully been concluded.

9 PCA has not asked for hourly rates at
10 least in the immediate future, and they put an RFP
11 based on per unit or per trip rate. That's where
12 we are with that litigation at this point.

13 Q. Representative Murphy asked a question
14 about the difference between the rates that are
15 charged by the taxi providers as compared to many
16 of those who are participating in the 203 program,
17 and you talked about the difference between the
18 types of equipment, some of the other requirements
19 that have created additional cost or higher costs.

20 How could you -- could someone sign --
21 could you explain to me the difference between the
22 various providers who provide the same service
23 with the same type of equipment in the same area
24 where there is difference as such sometimes as 3

1 or 4, 5 dollars where they've the same rides using
2 similar equipment in the same territory?

3 A. That is one of the areas that our group
4 feels very strong that there is room for immediate
5 improvement.

6 I sit on the PennDOT task force, as does
7 one of the other members of our group. We have
8 certainly room for that. The reason this exists
9 today is not from any design.

10 When the program started, when I first
11 entered the PennDOT program several years ago, you
12 more or less filed your rates, and if they
13 approved your PUC rate. That was accepted by
14 PennDOT. Therefore, carriers coming into the
15 program filed the rate with PennDOT and it was
16 accepted by PennDOT, and it was the rate that was
17 charged.

18 Some carriers charged whatever rate came
19 to mind, it seems. Some rates were very high.
20 Some rates were very low. As the program
21 continues to mature, we could now see carriers
22 offering more than one rate. We realize that one
23 rate does not fit all.

24 If I have a vehicle that's full, I should

1 charge significantly less than if I am rating the
2 vehicle with only one or two people. My company
3 does that currently and have for over a year and
4 other companies are now starting to do that.

5 So the failure structure, the methodology
6 for reimbursement for carriers in the Philadelphia
7 area, we have no problem with addressing that,
8 that there should be more uniformity.

9 Q. Thank you.

10 I have one final question.

11 Regardless of the quarter-mile rule, how
12 long have you been aware of the existence of such
13 a proposal or regulation? How long has that been
14 in existence?

15 A. It is my understanding personally from
16 the time that I first applied in 1981 -- and at
17 that point it was a rule that existed in name only.
18 I always found it difficult to understand it, if
19 it was something that the department wished to
20 enforce with any vigor, why they would hand out
21 eight or nine grants in Philadelphia County,
22 summing up millions and millions of dollars. The
23 law has always been on the books. It was never
24 addressed with as much interest as it has in the

1 last several months.

2 Q. So you are saying that the quarter-mile
3 rule as a directive or regulation has been in
4 existence since the time you have been in the
5 program, but it's only of recent note that there
6 has been a stronger effort to strongly enforce
7 that particular rule?

8 A. That's correct. In the past, we had been
9 told that it was pretty much on the carrier -- up
10 to the carrier to decide if the quarter-mile rule
11 applied.

12 Self-declaration through transit would
13 not fit the senior adults' needs. You know, they
14 couldn't stand for longer periods of time waiting
15 for a bus or a trolley. It was a very informal
16 enforcement of the rule, if "enforcement" is even
17 the correct word.

18 CHAIRMAN LINTON: I have no further
19 questions.

20 BY MR. MURPHY:

21 Q. Can you give me an idea of the members of
22 your association?

23 How many of them basically came into
24 existence because of this program? And if they

1 were in existence prior to the program, what was
2 their growth rate after beginning to participate
3 in the program, the general kind of way?

4 A. Certainly, none of the carriers, to my
5 knowledge, were created as a result of the 203
6 program. Growth curves, I can't say speak for
7 each individual carrier. I can speak to my own.

8 I'm a fairly well-diverse transportation
9 company. I provide everything from vans, life
10 support ambulances, to sedan service for senior
11 adults in my company.

12 There is a sharp rise in senior adult
13 carriage simply because there was a market that
14 was literally stamped for this type of
15 transportation. We had Philadelphia Corporation
16 on Aging who turned to private carriers for the
17 first time for profit carriers, I should point out,
18 for the first time during the advent of the
19 availability of 203 funding, which opened up 50
20 new centers heretofore were not being served by
21 for private carriers.

22 Indeed, there was a very sharp growth
23 curve in large part to new service.

24 Q. If you can tell me, how many vehicles did

1 you have before and what do you have now?

2 A. We have today approximately 50 vehicles,
3 and 1981, keeping in mind we were a relatively
4 young company approximately nine years old, we
5 probably added on about 20 vehicles over the last
6 several years.

7 Q. You at least doubled, almost doubled your
8 size?

9 A. Not just our program. Other areas of
10 growth. Some new accounts. None regulated as
11 well. We do work for transit authority.

12 Q. Would you say you are typical of what the
13 other transit companies in your association
14 experienced?

15 A. I'm sure all the transit in our
16 association have grown as a result of the 203
17 program.

18 MR. MURPHY: Thank you.

19 CHAIRMAN LINTON: Any further questions?

20 BY MR. O'BRIEN:

21 Q. To follow up on Representative Sowerman's
22 question on Page 6, you referred to unjustifiably
23 intrusive information.

24 Can you tell me what that is?

1 A. We're referring in that area to PennDOT
2 requesting of us areas that are unregulated areas.

3 For instance, my company -- for example,
4 I sell maintenance service. We have a state
5 certified garage, state inspection facility, and
6 in the most recent application package, which has
7 pretty much grown, PennDOT was presented pretty
8 much with the same information and it seemed to us
9 all operating ambulance service revenues which, of
10 course, have to go to PennDOT program.

11 Any revenues that were coming in for
12 transportation, well, they were regulated 203
13 connected or not. And we as carriers would then
14 have to go through our books, and if we were
15 willing as private carriers, to more or less open
16 up our corporate files to PennDOT to pick through
17 and decide what they wanted to pick out of those
18 files. It would be almost impossible to break out
19 every line of work from our general bookkeeping or
20 recordkeeping.

21 We're more than happy to provide PennDOT
22 with every iota of information that pertains to
23 our regulated activity. We file exhaustive
24 reports to the Public Utility Commission every

1 year, and we would be more than happy to continue
2 to provide that. But they were getting into areas
3 that were private business. We felt it was
4 becoming intrusive.

5 Q. What other service, your ambulance
6 service, your maintenance service, your separate
7 vehicles?

8 A. Not entirely, but in many cases, yes, we
9 do work for the transit authority dedicated to the
10 transit authority. We're not used for other lines
11 of business.

12 Q. How about this door to door?

13 A. There are occasions when a vehicle could
14 be used for both lines. Certainly, our ambulances
15 are exclusive to the ambulance, ambulance being a
16 specialized piece of paper as opposed to share
17 drive piece of equipment.

18 Q. In other words, if the Department of
19 Transportation were trying to determine what your
20 costs were for the Shared Ride Program as compared
21 to just determine what the mixes were, fixed costs,
22 you would feel that's intrusive?

23 A. I don't think that's it.

24 Q. You are using an ambulance or vehicle,

1 the same vehicle for your Shared Ride Program?

2 A. I don't think it would be intrusive for
3 them to develop a methodology to determine a lot
4 of costs, but I don't necessarily know that that
5 has to be by them if we have to file our income
6 returns with PennDOT. In essence, what they were
7 doing, they would have to declare that with every
8 dollar that went out. We think we could go to
9 them, and in working with PennDOT a cost
10 methodology system is how you distribute your
11 costs, and I agree with PennDOT, the fear has been
12 raised of late in our meetings with PennDOT just
13 last Friday that they don't want cross-subsidies.
14 One of our expenses might be, well, we -- as
15 carriers, we're not asking if we lose money for
16 PennDOT, under this program to come and give us a
17 profit. We're on a cost-plus basis with PennDOT
18 basis and we do have some hesitation to just open
19 up our corporate books and file income returns
20 with PennDOT.

21 CHAIRMAN LINTON: One further question.

22 BY CHAIRMAN LINTON:

23 Q. We heard earlier testimony in regard to
24 coordination service in Bucks County and in the

1 proposed directive, and I guess in the new
2 regulations that we expect to be introduced that
3 will be probably be one of the offerings.

4 If there was such a system operating in
5 the City of Philadelphia or the Greater
6 Philadelphia Area where there was in fact a
7 designated coordinator and the providers would
8 contract through that coordinator, what impact
9 would that have on your operation?

10 A. Of course, I realize that is a
11 hypothetical situation. I would like to back this
12 up by a little background.

13 My company and a number of other
14 companies in our group currently work under broker
15 arrangements for medical assistance for SEPTA's
16 paratransit program. It almost seems as a word of
17 caution and in our opinion might be that it's
18 almost the easy way out while there is a problem,
19 easier to hire somebody to run it.

20 Off the bat, a broker is going to cost a
21 lot of money to administer a program of the size
22 in Philadelphia County.

23 Our response would be to pursue it in the
24 form that we're in now, the good tight regulation

1 that addresses the problems that we have heard
2 thus far in the testimony today, and come up with
3 a set of regulations that would allow the market
4 to operate independently and competitively within
5 these regulations.

6 We don't feel that is the least chance
7 that thou shalt be a broker necessarily. That's
8 our position.

9 CHAIRMAN LINTON: Okay.

10 I would like to thank you for providing
11 the committee with the information.

12 Mr. Brian Somerson, President of Yellow
13 Cab Company.

14 MR. SOMERSON: I just want to thank you
15 for the opportunity to address this meeting.

16 A lot of the specific issues that I was
17 going to raise were raised already by Fred Kroon
18 and some of the others. So what I would like to
19 do with the next 15 or so minutes is discuss my
20 perspective and my analysis of what's happened to
21 the Shared Ride Program.

22 I'm a relatively newcomer to public
23 transportation. My family purchased the Yellow
24 Cab Company out of bankruptcy in January of 1982,

1 and timing being what it was, one of the first
2 participants in September of '82 in the
3 Pennsylvania Reduced Fair Program. That program
4 was a pilot and a very large pilot. PennDOT's
5 staff sought to identify certain areas that the
6 legislature had decided would be most beneficial
7 in utilizing the 203 funds and set up guidelines
8 to make the program work.

9 Certain interpretations had to be made,
10 certain staff responsibilities had to be delegated,
11 and for the first two and a half years no news was
12 good news.

13 PennDOT was grossly understaffed. The
14 PUC was angry because it didn't have jurisdiction
15 over large funds. It was confused about the
16 nature of the Shared Ride tariffs, and we as
17 private operators began to build a program,
18 applied for our tariffs separately, and in most
19 cases there was a significant difference between
20 the prices from one competitor to another.

21 It's very difficult to rationalize that
22 any company with similar equipment could be
23 different, although there are differences.
24 Additionally, the types of services that the

1 individual private operator -- at least in
2 Philadelphia, the types of services that they
3 wanted to provide was based upon their prior
4 method of operation before 203.

5 And, therefore, the nonwell elderly, the
6 center core, tended to be served by the
7 paratransit citizens, and the well elderly
8 population, those that didn't live or frequent a
9 senior center, ended up going with the Yellow Cab
10 because Yellow Cab's vast vehicle availability
11 lent itself well to pickups from its patrons that
12 did not have a common destination or pickup point.

13 As the program became more widely known
14 and Yellow Cab was able to participate with such
15 large local retailers as Acme Markets and many of
16 the area hospitals, we began to build large
17 ridership, which presently Yellow Cab Company
18 provides 40,000 senior adult trips per month, and
19 up until March of this past year, provided 40
20 percent of its trips for a quarter and in many
21 cases there were paratransit providers providing
22 the same service for \$2, that being the 10 percent
23 share.

24 Anyway, I think that PennDOT identified

1 the inequities and was beginning to deal with them
2 at the task force level, but that's where you
3 split companies because the only way that you can
4 mold a pilot program is by having direct and good
5 faith discussions with those that participate.

6 The task force was hardly warm when we
7 got our letter from Don Bryan dated April 17.
8 It's a day that I will never forget because it
9 appeared that although we had been speaking, and
10 almost in complete unanimous agreement, that there
11 were changes that had to be made, we -- the
12 circumstances and the discussions that started in
13 the task force were mooted by, if you will, the
14 arbitrary and capricious nature cutting
15 everybody's fee by 20 percent, because even the
16 robber baron in my industry didn't work on a 20
17 percent operating income.

18 So, therefore, to cut the fares 20
19 percent on each individual fare was certainly no
20 way to open up or continue any dialogue.

21 So I think that now it rests in the right
22 place with the legislators.

23 I have two sets of thoughts about the way
24 in which you bring equity in price, and I kind of

1 wear two hats.

2 I am a certified public accountant in
3 Pennsylvania, and prior to getting involved in
4 Yellow Cab Company, I was involved in auditing
5 public and private companies. The more
6 complicated you make the rules, the more difficult
7 it is for the smaller competitors to participate
8 in the program.

9 PennDOT has a right to request whatever
10 information it needs to assess what the fair rate
11 of reimbursement should be, "fair" being f-a-i-r,
12 but there are easier ways to do it.

13 I did not like the fact that the PUC put
14 out a request for proposals asking that only 203
15 eligible participants bid because that's
16 un-American and because that takes the small guy
17 who didn't have a lawyer, who could get a shared
18 rate tariff approved in time before 203 froze
19 other participants out of business.

20 How can a public agency pay a hundred
21 percent when 10 percent is available?

22 The way to bring about an equitable price
23 is to open it up with a competitive bid and let
24 all PUC certificated carriers that have financial

1 wherewithal bid for the work. Bid it by zone, bid
2 it by type of service, and on that basis you will
3 establish a price. And they did it, SEPTA did it,
4 the PCA did it, and they have been able to get
5 efficiencies.

6 There is one other observation that I
7 want to make, and that is the Department of
8 Transportation got off on a tangent about
9 productivity per hour, assuming that if they were
10 able to establish how many rides per hour were
11 being performed, that they could then ascertain
12 what the profitability was. It was never
13 inconsistent in terms of the private provider to
14 get maximum productivity as they could, since they
15 were being compensated on a per unit fare. So,
16 therefore, all of us were pushing for maximum
17 productivity because to do so would be to increase
18 our profitability increase, our recovery in terms
19 of the rest of the operation.

20 So I think it's time to make regulations.

21 It's time to evaluate what needs to be
22 done to assess what is a fair price, but we have
23 got to do it in a way that is most easily
24 administered and in a way that is as uncomplicated

1 as possible.

2 As a practitioner and former CPA, public
3 accountant, there are lots of ways to allocate
4 expenses and it is confusing at the least.

5 If you let the price in the marketplace
6 find its own level, it will.

7 And so there are ways to do it without
8 making documentation requirements that are very
9 costly and don't serve any purpose.

10 Thank you.

11 I just figured it would be good to talk
12 on that level.

13 BY CHAIRMAN LINTON:

14 Q. Very good.

15 I have facts that your testimony is
16 probably in the direction of some of my lines of
17 thought.

18 Looking in the Greater Philadelphia Area,
19 I'm aware of some of the prices that are charged
20 by some of the providers who provide the same
21 service, same length distance, in the same region,
22 and there is a quite a discrepancy between their
23 fare rates and Yellow Cab, from my PORTION is one
24 of the lowest.

1 A. Used to be.

2 As I say, up until March of 1985, my
3 average fare based on a seven-mile average trip
4 was \$6, but presently it is about \$9.

5 There are many paratransits that have
6 rates that are individually based on distance
7 traveled, but more into the taxi operators because
8 that was the method of compensation prior to 203.
9 There are merits to that. There are many
10 paratransits that have a price that fluctuates
11 based on number of occupants. That's also very
12 fair. So that it's very difficult to assess the
13 disparity.

14 Yellow Cab is no longer the cheapest.
15 There are cheaper providers than Yellow Cab.

16 Q. Isn't it necessary for one to be PUC
17 certified to participate in 203 program?

18 A. Yes, it is.

19 Q. And your testimony made reference to RFP
20 that was put out by PCA, and that that RFP riders
21 203, I guess, PUC certified or those who are
22 participating in the 203 program to respond?

23 A. Only those with 203 grants I think was
24 the way it was written on the face of the RFP.

1 Q. So you are saying that there are others
2 who are PUC certified that could have been allowed
3 to respond that did not eliminate them by not
4 being 203 participants?

5 A. Well, I think that many had taken the
6 position, including the department in the private
7 discussions that we had, that should PUC certified
8 non-203 participants be awarded the business, that
9 they would be granted participation in the program,
10 but that was not the tone of the RFP, which just
11 highlights the confusion that surrounds the 203
12 program.

13 CHAIRMAN LINTON: Any further questions
14 from the committee?

15 BY CHAIRMAN LINTON:

16 Q. One other question.

17 Quarter-mile rule. What's your
18 familiarity with the quarter-mile rule and how is
19 that or will that affect your operation?

20 A. Okay.

21 As long as the quarter-mile rule can be
22 evaluated by self-declaration of the patron, which
23 is the way that we have been documenting it in the
24 past, during the first two and a half, three years,

1 it will have no effect. And we do document the
2 response from the senior adult. We also have no
3 reason to believe that that increased ridership,
4 allowing self-declaration.

5 Perfect example of that is the fact that
6 Acme shoppers program is almost exclusively
7 one-way trips. Returning from the store with the
8 packages, the vast majority of the senior citizens
9 prefer to go down on a fixed route bus which is
10 free, at their leisure, instead of adhering to the
11 pickup time, which is necessary in a Shared Ride
12 county, and then utilizing the cab to come back.

13 Also, the growth in the free transit
14 program seems to indicate that there has been no
15 erosion in service provided on the fixed route
16 transit as a result of the self-declaration of
17 those private providers that provide service.

18 Should, however, the cab company be
19 responsible for assessing whether any affected
20 route transit is viable, the practical nightmares
21 of trying to become totally familiar with all of
22 the fixed route transit opportunities as well as
23 the factors of time, of service, and number of
24 multiple transfers, it would significantly

1 increase the time factors in taking the
2 reservation, and in our case, be particularly
3 burdensome, since all of our trips are
4 individually called in by the patron as opposed to
5 other contract carriers whose patron requests come
6 in on long lists based on people who are attending
7 a congregation meal or a medical center.

8 So it's significantly burdensome to me
9 because I deal with each customer 'individually.

10 Q. I don't want to make you the whipping boy,
11 but are you the largest provider of service to
12 seniors in the Philadelphia area?

13 A. Yes. I believe that by default but also
14 by choice I provide the largest number of senior
15 rides to the well elderly population that don't
16 live or frequent senior centers.

17 Q. Well, I have frequently been told by
18 various seniors, and some were here today earlier,
19 with regard to the complaints in terms of not
20 being picked up, I have calls into my district of
21 seniors who live in my district complaining that
22 they have registered a ride where either the cab
23 never came or they were taken to their destination
24 and no one came back to pick them up.

1 Could you elaborate a little bit on that,
2 you know, what's going on with that --

3 A. Okay.

4 Q. -- how your system operates in terms of
5 registering those rides and how you put them
6 together so that those individual calls are in
7 fact shared rides?

8 A. Okay.

9 You raise three very good issues.

10 The first is that the vast majority of
11 the senior adults that have enjoyed a ride or not
12 enjoyed a ride, as the case may be, with Yellow
13 Cab had exclusive use of that vehicle because even
14 though I operate in a computer environment, when
15 you have all of the random trips, we tend to only
16 to be able to batch them when other riders during
17 the peak loads season.

18 Probably the worst service that my
19 company ever gave was in October of 1984 when I
20 installed my new batching routing system. That
21 was so efficient in terms of the way that it put
22 people in the vehicle that the system was unusable.

23 It took people through neighborhoods,
24 picking one, two, three people on the trajectory

1 in the town. It required that drivers be much
2 more sensitive to time, even though there is 20
3 minutes plus or minus that we're allowed to arrive
4 and still be considered on time.

5 Logistically picking up individuals and
6 dropping individuals off mandates a time
7 sensitivity that could not be in the field
8 practically used. I had to back off of the
9 batching parameters and work it a different way.

10 So the first thing is that if you ask
11 your constituency that travel with us exclusively
12 how often they have been in a position of sharing
13 a vehicle with someone that they did not know, I
14 think that you will find almost overwhelmingly
15 that nobody ever has, although there are many more
16 that do today but not since the inception of the
17 program.

18 I am in a 90 percent business. 10
19 percent of the rides that I will perform will have
20 a problem. 5 percent I document. Our patron
21 cancellation same day, within a hour of the pickup,
22 as well as patron no-shows.

23 I don't get compensated, nor does the
24 driver. Frequently it is not the patron's fault.

1 They have been at a medical appointment that runs
2 over or they are at one of 15 entrants or exits in
3 the local hospitals. But in general 5 percent is
4 documented by fairly detailed computer printout
5 that we have indicated that the patron did not
6 show or cancelled.

7 Unfortunately, there is also 5 percent
8 that I'm late on, and the senior citizen is
9 referred to the reassignment board where I have
10 four operators that take the calls and redirect
11 the calls to one of our backup drivers.

12 If you take 10 percent of 10,000 trips a
13 week, that means there are a thousand senior
14 adults potentially disappointed by the service.

15 You can't provide a thousand trips a week
16 with a problem and not hear about it.

17 Fortunately for everyone that has a
18 problem, there are nine that don't, but that
19 doesn't mean anything. I want to provide a
20 hundred percent of the trips.

21 So I guess what I'm saying is we do the
22 best that we can. Because these trips are
23 manifested for the driver the night before, given
24 out to him in the morning when he takes his cab

1 out at 5 o'clock or 6 o'clock in the morning. We
2 must because of the number -- I assume that is a
3 good number. If it occurs overnight, if the
4 patron does not receive his cab within 20 minutes,
5 they must call the reassignment board because we
6 assume that that cab has picked her up on time or
7 he up on time. That's the nature of doing
8 individual random trips.

9 Q. Playing devil's advocate.

10 One of the issues has been abuses in the
11 program, some allegation that in fact maybe those
12 seniors who have not been picked up are still
13 being charged to the department for the
14 reimbursement from the lottery funds.

15 How does one verify that that senior was
16 picked up or was not picked up and the charge
17 against the department was something that was
18 false?

19 A. Okay.

20 We, as PennDOT, are kind of in a
21 subcontractor position because the individual
22 driver performing the service must be relied on
23 when he turns in his manifest. He actually has a
24 patron's signature and driver's signature line

1 which he must fill in that basically says I did
2 this work and this is the patron's signature and I
3 checked the ID to see if it was the right person
4 at the right age.

5 We also send out a confirmation, which is
6 easy to do in a computer environment, of 20
7 percent of our riders each month and it basically
8 says, Dear Senior Citizen: Did you receive this
9 ride or did you cancel this ride?

10 We sample the whole universe, and based
11 on that, we strictly decide and take a credit.

12 It is, however, a difficult chore.

13 Where we find that a driver has been
14 involved in something fallacious, we prosecute.
15 We bring him in for restitution: We go and send
16 our supervisors to get a written statement.

17 Also, we have detailed billing records
18 that indicate which trips were late, which trips
19 were reassigned. These are input on line when the
20 patron calls indicating that he doesn't want the
21 ride or that the ride has been late. So that
22 record exists.

23 And the other things is I have a long
24 list of people with phone numbers which we call

1 randomly. I imagine the PennDOT auditors call
2 randomly to assess whether the patron took the
3 trip. But admittedly, you have to do that within
4 a week or two because most senior adults forget
5 where they went. You can't call and confirm a
6 ride from four weeks ago. Doesn't mean anything.
7 I don't even remember where I was last week.

8 Q. I was going to say that. Neither do I.

9 A. So I mean, there are practical
10 considerations and there are realistic.

11 I'm in a situation where I have 15
12 cashiers, 2,300 active drivers, and I provide on a
13 big day, which is usually Wednesday, almost 3,000
14 trips in one day. Completely computerized, and we
15 do as much auditing as we can.

16 I think in most cases the service has
17 been provided to the third-party sponsorship with
18 terrific documentation. That's another reason why
19 we were a little concerned they were dropping the
20 third-party sponsorship.

21 If auditability, accountability is
22 something you are looking for, what better account
23 can there be besides the attendance report? A
24 very large portion of my competitor business came

1 from providing the transportation for another
2 subsidized service. You got complete auditability.
3 So why give that up if that's one of your concerns.

4 Q. One final question.

5 In terms of age verification, is that
6 done at the point of the request for service or
7 verified again at the point of entry or departure?

8 A. Yes.

9 What we do, because of the volume of
10 trips which are unresponded by any other agency
11 that would be in a position to verify the age, we
12 accept the information that the patron gives us
13 followed up within 30 days with a written
14 confirmation letter which is returned to us, and
15 each one of our drivers has to sign that he
16 verified the person's age with the specific age
17 documentation that the senior adult specified he
18 would have available. So every one of my driver's
19 trip logs has a person's signature and a driver's
20 signature attesting to the fact that he verified
21 the person's ID.

22 That works I think pretty well.

23 CHAIRMAN LINTON: Okay. Thank you..

24 BY MR. KASPER:

1 Q. Mr. Somerson, being President of Yellow
2 Cab Company, you have mentioned that your
3 organization doesn't provide the van-type trips
4 where you have a dozen people from the senior
5 citizen center and take them down to a particular
6 outing and then bring them back.

7 I would take them -- assuming from what
8 you say, also primarily you deal with single-
9 person trips.

10 I don't try to batch. You have your
11 batching parameters.

12 How are you going to meet the
13 productivity standards by the department?

14 A. Okay. Well, I meet them because of the
15 volume of work.

16 You see, although it's difficult to get
17 people to share the vehicle, it is not difficult
18 to get a lot of trips per live hour. The standard
19 does not necessarily mean that they want everyone
20 to be in the vehicle at the same time, but that
21 helps to increase productivity.

22 Q. Sure.

23 A. But because of the large volume of trips
24 that I do --

1 Q. Quick trips?

2 A. -- and relatively quick trips, but it's
3 quick trips because I match them -- computer
4 environment that breaks down each trip requested
5 to subneighborhoods. I have a way of maximizing
6 it in a very short period of time because I'm
7 computerized.

8 But in general because of the volume of
9 trips, I'm able to get a large quantity of trips
10 completed in an eight- to 10-hour shift. So I
11 meet the productivity standards with one caveat.

12 One thing that helps me dramatically is
13 the sponsorship from the third party because I do
14 not do center work. I don't have a chance of a
15 common destination or pickup point in the trips
16 except where I have a third-party sponsorship like
17 Acme.

18 In Acme, the car can do 20 to 30 trips in
19 a 10-hour period, which is fantastic in a random
20 environment. If it wasn't for Acme, my aggregate
21 productivity would be lower.

22 Similarly, I provide service out of
23 certain apartment buildings where I dedicate a
24 vehicle and I have a reservation starter in the

1 lobby. They also tend to be highly product. I'm
2 close to three productivity per hour. And there
3 you do have a certain amount of sharing of the
4 vehicle, but it's a natural thing because people
5 are waiting out in front of the store. They live
6 in the same building. It works well. It becomes
7 part of the trip, part of the going together.

8 If it wasn't for third-party sponsorship
9 which ran the risk and probably still does of
10 being accomplished, it's true that if I didn't
11 have any portion of my riders that had a common
12 pickup or destination point, that I would run the
13 risk of not meeting the standard. But I presently
14 do meet the standards because of the volume of
15 work.

16 Q. And the relatively short ride that you
17 have?

18 A. Well, I think if you analyze all
19 paratransit citizens and all shared rides in
20 Philadelphia, you will see that we're all around
21 six to seven miles. Senior citizen share ride
22 trips, particularly in Philadelphia, don't really
23 rack up the miles that you have in some of the
24 other counties in the Commonwealth where

1 facilities and services are spread far apart.
2 Philadelphia is a very small town. Things are
3 very relatively close and regional, and most
4 senior citizens don't travel beyond six to eight
5 miles. I would be surprised. Because there are
6 as much facilities that are located within that
7 proximity.

8 So it's not just the fact that they are
9 individual trips. I mean, the length of the trips
10 is so much shorter than the other providers, but I
11 think it is also the fact that I get massive
12 requests of trips.

13 Also, the other point that has to be
14 brought out is center work to be peak loads.
15 Bringing people in having nothing to do except to
16 bring them back all like a school route. Random
17 trips shopping and to and from all day long.
18 Although it does tend to concentrate in the peak
19 hours because it is medical appointment oriented.

20 Q. One other question that your testimony
21 has stimulated.

22 Presumably, when the new regulations were
23 promulgated by the department, the area of
24 coordination, the mass transit authority in a

1 given area, service area, would have the first
2 shot at being coordinator within that service area.
3 Going on a hypothetical situation from that, SEPTA
4 would not be, you can assume that they would not
5 be, assume for a minute that they wouldn't be, do
6 you feel your company has the capability to be
7 that coordinating service?

8 A. Do you want to scare my competitors?

9 Aside my aspirations to be improved,
10 which I have articulated at many such two or three
11 meetings.

12 Q. And cocktail parties?

13 A. But I have to separate myself from Yellow
14 Cab, if I have any shot in this state.

15 Q. Especially in Philadelphia?

16 A. At least in Philadelphia. Perhaps, I
17 could run in Pittsburgh and establish residency.

18 In any vicinity, I like being a provider,
19 I would like to help whoever became the
20 coordinator.

21 Bill Underwood once got me all excited
22 about potentially being the coordinator. I went
23 home and told my wife. We bought a new car.
24 Never happened. So I would just like to be a

1 provider and I would support any such coordination.
2 I like coordination. I like to be Caruso.

3 Q. So you don't know.

4 I know your competitors may have a view
5 on that themselves, but as far as Yellow Cab?

6 A. It would pretty tough. I would like to
7 render assistance, but I like to be a provider,
8 keep it separate, at least at this point.

9 MR. KASPER: Thank you very much.

10 MR. SOMERSON: Thank you.

11 CHAIRMAN LINTON: Sir, we would like to
12 thank you for your testimony.

13 Hopefully, many of your remarks will be
14 very helpful, as we deliberate, on how to solve
15 our problem in 203.

16 David Nevison.

17 MR. NEVISON: First of all, I would like
18 to thank the committee for letting me testify, and
19 I have a few suggestions that I think should be
20 put into the program and then after that I would
21 appreciate it if the committee would like to
22 cross-examine -- well, not cross-examine.

23 CHAIRMAN LINTON: We never cross-examine,
24 anyway.

1 MR. NEVISON: A few suggestions that I
2 have, and then you can come back to me from there.

3 First of all, I think one of the things
4 that should be done is PennDOT, PUC, the
5 legislature -- I don't care who does it, but you
6 should have a bureau of accounting and enforcement
7 for the lottery program. That's Number one.

8 And Number two, I think the private
9 carriers or contractors should either be assessed
10 or determined how much this program is going to
11 cost when it's set up and they will pay for it.
12 In other words, they would have a self-policing
13 department. That's my first suggestion.

14 And another thing I think you should
15 definitely look into is one of the problems that I
16 have had very frequently, private contractor as
17 the escort.

18 Now, to identify such abuse as that is
19 utterly disgusting. In fact, I'm on record with
20 PennDOT. On occasion it happens. What I'm saying,
21 as much as I hate to say it, I really feel that
22 the escort should have to pay a Shared Ride fare.

23 That's another point.

24 And another point that I want to

1 emphasize is this: Everybody is talking about a
2 coordinated broker for the Delaware Valley. You
3 already have that type of system in Pittsburgh
4 under the port authority. Who is going to pick up
5 the cost of the coordinator, and if the
6 coordinator is a private corporation, private
7 individual or individuals, who is going to monitor
8 the coordinator?

9 Now, let me go one step further.

10 At one time, in Montgomery County, I
11 happened to belong to a county association or
12 coordinator, whatever you would like to call it,
13 okay, we won't mention the name.

14 The audit came out recently, okay, and I
15 know maybe I shouldn't make the statement but I am.
16 If they want to throw me out, I don't care.

17 Here was your first test of a coordinator
18 with a lottery 203 program and that was a disaster.
19 A total disaster. So what I'm saying is if the
20 state would set up a bureau of accounting and
21 enforcement, get it out of politics -- they would
22 be civil service employees -- they would have the
23 right to come in to every carrier and say, okay,
24 the trip went on September 10, at 2:30 come in,

1 you have a slip where the order was taken
2 September 9, it was carried September 10 at 2:30
3 p.m., the dollar amounts, documents, they can go
4 right down the line, and they would have the power
5 to come in and say, okay, you finished out this
6 month and after that you are on suspension.

7 If you don't want to abide by the laws
8 and rules of PennDOT and have an open set of books
9 where they can come in and trace the trip from
10 beginning to end, you are out of the program.

11 And I really just can't see how we can
12 have such a difference in fare structures in the
13 same geographical areas. It just doesn't make
14 sense to me. And the one thing that I think you
15 should keep separate is if the person is a
16 wheelchair carrier, they carry people that require
17 wheelchair service and lift vans. That's a
18 classification of its own.

19 You know, we're not here to argue that
20 point, and I seriously doubt you have that much
21 problem with that.

22 And I just wanted to go back to one other
23 point that you heard from SEPTA earlier when they
24 were referring to the problem in the Lancaster

1 area with the Red Grove Transit Authority.

2 Now, if you had an authority and an
3 enforcement division and you got a complaint from
4 Friendly Cab in Lancaster who was friendly in
5 Lancaster Yellow Cab, they are two major carriers
6 out there that they were stealing senior fares
7 from mass transit lines.

8 Now, if they could not document that
9 those people had put an advance reservation in,
10 they wouldn't get paid for them.

11 So what I'm saying is SEPTA is -- it is a
12 false statement.

13 I'm not going to take my cab down Route
14 611 on the mass transit routes and say, hi, Mrs.
15 Jones, you are over 65, get in my cab, because if
16 I abide by PennDOT rules, they are not eligible to
17 ride anyhow.

18 And then you have the bureau of
19 enforcement in the county. If I took them, I
20 won't get paid for them anyhow.

21 So what I'm trying to say is if you had
22 an internal bureau of enforcement in the county, I
23 could take them but I won't get paid for them, and
24 they would also have the power to come out and say,

1 okay, look, we're giving you a warning you are not
2 abiding by the rules, you don't keep the books the
3 way you are supposed to, let us audit your books,
4 and go into detail. Then I'm sorry, you are out
5 of the system.

6 And I also think you have another major
7 problem, and I don't want to take sides on it, but
8 I think either PennDOT or PUC should have total
9 control of the lottery. That's all the way from
10 fare structure to the administration, the whole
11 thing. You can't have two masters.

12 And this has really created a problem.
13 You got to get it down to one person that is
14 responsible.

15 And as far as the average load factor
16 goes like some people were talking about, some are
17 talking about 203, okay. I do not provide
18 transportation to senior centers. I'm probably on
19 a small scale for Yellow Cab. Therefore, I can't
20 get the same average load factor that another
21 carrier can that hauls a lot of people to a senior
22 center. I don't think that is really realistic.

23 And another thing we do, we provide
24 service from 6:00 a.m. in the morning till

1 midnight seven days a week, 365 days a year. What
2 does the poor little senior citizen do when the
3 bus doesn't come down the road at 9 o'clock in the
4 morning or 10 o'clock at night and they got late
5 from the movies or the card game ran a little late
6 or even if they are out on business?

7 You know, there is no mass transit there.
8 And this happens on lot of the rural areas. You
9 have got areas in this state that don't have bus
10 transit after 6 o'clock at night and on Saturdays
11 and on Sundays and all the legal holidays. What
12 do you do then? And it's another factor here that
13 I think you should realize.

14 If you are going to take the lottery
15 program and throw it open to the whole general
16 public, anybody that provides insurance, anybody
17 that can prove any vehicle that will pass
18 inspection, and give this program out, and you are
19 going to take all the business that the taxicab
20 companies were carrying, where are they going to
21 get their pays? How are you going to get from
22 Point A to Point B at 11 o'clock at night when
23 their car broke down or on Sunday or the holidays
24 when you need a cab and the train breaks down?

1 If you take all the business from PUC
2 certificated carriers, you know, they are going to
3 say, give me the crumbs. You might as well as
4 take those, too.

5 And I agree with Mr. Somerman on the
6 quarter-mile rule. I really think that SEPTA or
7 PAMTA got a little bit carried away there when
8 they were accusing the private carriers of taking
9 their customers. I think that's something when
10 you really sit down and study it in detail, it
11 would take care of itself.

12 Like the incident with the Acme. I have
13 the same thing in my area. I have seniors say,
14 okay, pick me up at such and such a point. They
15 got there on their own. They have packages,
16 groceries or something like that. What you going
17 to do with that little old lady or little old man
18 that goes down to the grocery store and has two
19 packages and because the bus goes by -- and has
20 anybody on this senate or house investigation
21 committee considered the fact that if the Route 55
22 bus, 611, has to stop at York and West, which is a
23 major intersection in Jenkintown, take on two or
24 three senior citizens, that are not agile, each

1 one of them take five to eight minutes to get on?
2 What's going to happen to his schedule? What's
3 going to happen when he gets down to Center City
4 or Broad and Olney to the subway and some guy
5 sitting in the back says, come on, you old folks,
6 move.

7 Out the buses they go. Then what are you
8 going to get sued for a couple of hundred thousand
9 dollars. That's a lot of lottery rides. A lot of
10 lottery rides. I bet nobody thought of that.

11 And I think another thing that the
12 committee should look into is the cab in reality.
13 Now, I think \$40 is too high. I see no reason why
14 you need a \$40 cab. I'm talking about the total
15 now. \$30 I think statewide is realistic, and even
16 if you want to make it \$20, I see nothing wrong
17 with that. Nothing at all. Because you have a
18 tremendous amount of abuses in this lottery
19 program whether the people are strictly for
20 pleasure. Most of the necessities of life to me,
21 the hairdresser, the bank, the doctor, can be done
22 within a 10- to 12-mile area, which can be
23 realistic.

24 You can cover that within \$20. I see no

1 reason why you can't and maybe a cab can be \$30.

2 Now, I talked to a couple of people from
3 other areas not right around here but out in the
4 Pittsburgh area, where they had a problem like
5 from the outskirts of Pittsburgh, going to the
6 medical centers. That can be a problem. But
7 other than that, I really don't see it. If you
8 want to make two sets of classifications.

9 In other words, if it's strictly for
10 medical, there is one cab, and if it's for the
11 other necessities of life, make it a different cab.
12 I really think that you can knock that cab down,
13 or if you want to go with one cab, a \$30, and
14 whoever came up with that rule that we had before,
15 \$20 for the city and 30 for the suburbs, I mean,
16 you were leaving it wide open.

17 My territory had two classifications.

18 So all they would have to do is say, hey,
19 I live on the other side of the street. I'm
20 eligible for \$30. And Mrs. Jones on the other
21 side can get 20. That was unrealistic totally.

22 I'm sure you have some questions up there.

23 CHAIRMAN LINTON: Any questions from the
24 members of the committee?

1 I think you pretty much covered it.

2 None of the members have any questions
3 and neither do I.

4 BY MR. KASPER:

5 Q. I would like to pursue your idea of the
6 bureau of enforcement.

7 A. Accounting.

8 Q. I believe I'm correct when I say that
9 PennDOT currently has the authority to come and
10 make spot checks, is that correct?

11 It's a problem on manpower. It's a
12 problem of allocating resources to do that, but
13 they currently have the authority to come in to
14 providers and ask to see certain information.

15 A. Okay. I agree with you. They do have
16 that.

17 Q. If providers don't want to give that
18 information, the contract can be eliminated?

19 A. In other words, when the new contract
20 comes out, whatever date you set forth for the new
21 contracts -- you know, Pennsylvania has a lot of
22 lawyers in their legal bureau. You set it down in
23 black and white. If you are not willing to abide
24 by the accounting standards set up by PennDOT, PUC

1 or whatever does it, you will not be eligible to
2 participate in the program.

3 In other words, PennDOT should be able to
4 have an audit trial from the time the call is
5 taken till the call is dropped off. And they
6 should be allowed to come into your office at any
7 time they choose, you know, not 2 o'clock in the
8 morning, any reasonable working hours.

9 If I get a call from PennDOT at 8 o'clock
10 in the morning and they say, we want to see you
11 tomorrow and your books at 9 o'clock, have them,
12 they should have the right to do it.

13 And they are -- and there also should be
14 something within the PennDOT rules that states
15 that you have a profit margin.

16 You should not be allowed to make
17 unrealistic profits. It has to be reasonable.
18 But if you work under the PUC, you have profit
19 guidelines. Why shouldn't you have it under this
20 system?

21 Q. So then you would be in favor of amending
22 various codes that would be necessary to take the
23 authority from the PUC to PennDOT --

24 A. Well --

1 Q. -- as the previous speaker?

2 A. Well, let's me put it this way.

3 I don't want to say I'm in favor of
4 PennDOT doing it or I'm in favor of PUC doing it.
5 But for Pete's sake, don't have two masters. You
6 know, that's up to you fellows. You can go to
7 Harrisburg, when you go back -- what it is, 18th
8 of September -- and say, okay, effective December
9 1st -- January 1st, 1986, there is no more PUC.
10 Finish up your work and it's all over. You have
11 that power to do that.

12 CHAIRMAN LINTON: I wish you could do
13 anything that quickly.

14 BY MR. KASPER:

15 Q. Some people would like to do that to the
16 PUC.

17 A. You can also say the other point: The
18 PUC has the authority to take care of any vehicle
19 or any transit in the State of Pennsylvania, they
20 will control the tariffs, they will control
21 anything. You can turn it to PennDOT.

22 But what I'm saying is put it one way or
23 the other because I really believe this is where a
24 lot of the problems started, because I have seen

1 this happen myself with my own fare structures. I
2 can still like it was yesterday sitting down in
3 the PUC's office. We had a program that we were
4 trying to work out, there was a half dozen
5 different carriers there. I'm not going to
6 mention any names. We were going round and round.

7 PennDot comes up with one fare structure.
8 PUC comes up with another fare structure.
9 Round and round we go. It was just ridiculous.

10 But the one thing I would really like to
11 see more than anything else is a bureau of
12 accounting and enforcement with a full authority.
13 After all, we're going to a state program and if
14 we don't want to work by the state guidelines,
15 then get out. Rather than go to a coordinator,
16 because I don't think anybody in the state's
17 legislative body realizes what a coordinator is
18 going to cost, and to me all you are doing is
19 moving the problem from one department to another
20 department, especially if it is given to the
21 private corporation or even SEPTA. You know,
22 what's to stop me from hiring a very good lawyer
23 and applying to the state and saying, okay, I'm
24 going to form ABC Delaware Valley Coordinator 203

1 Transportation Program.

2 I get four or five people to run the
3 corporation. I'm really running it. And it would
4 just be a mess. You know, so help me God, in six
5 months to a year, you will be back here with
6 problems bigger than before.

7 CHAIRMAN LINTON: Mr. Meyers, I don't
8 want to be back here again. I'm hoping --

9 A. You want to move the hearing to some
10 other area.

11 Q. Hopefully, we can resolve it. I would
12 like to thank you for your testimony. Many of the
13 items that you mentioned I'm quite sure would not
14 be supported by many of your colleagues who are
15 taxi operators or who are providers.

16 A. Let me just say something. There is no
17 program that you are going to introduce for
18 private individuals can introduce that will be a
19 hundred percent agreed on, but let me tell you
20 this: There is a meeting this Sunday in
21 Harrisburg amongst the carriers, and I will bet
22 that 70 percent of them that are in that
23 organization would be willing to go along with
24 this program and with an assessment on the

1 carriers, and that is some of the biggest carriers
2 in the state.

3 I already consulted with two of the
4 biggest carriers and they are not that far off the
5 track. Two of the biggest, don't ask the names.

6 CHAIRMAN LINTON: I'm not going to.

7 We're going to have to have to make some
8 tough decisions.

9 I think that we're going to have to do
10 that and, quite clearly, everyone is not going to
11 be happy. I don't think we ever do anything in
12 the legislature that you have everybody completely
13 happy.

14 MR. SOMERSON: I really seriously think
15 you should sit down before you pass the
16 coordinator broker system and think about how much
17 it is going to cost you and how you are going to
18 keep track of that system. Okay.

19 Thank you.

20 CHAIRMAN LINTON: Thank you.

21 Mr. Robert Tillman and Anthony Valencia,
22 Montgomery County.

23 MR. TILLMAN: I'm Robert Tillman. I'm
24 the president of the Montgomery Paratransit and

1 I'm also president and owner of Bennett Taxi
2 Service in Bryn Mawr.

3 I think the comments I have to address to
4 this committee represent two aspects of my
5 existence: One is president of Montgomery
6 Paratransit. MCPA is an association, a nonprofit
7 corporation owned and operated by several cab
8 companies in Montgomery County. It was set up to
9 serve the needs of various agencies of the county
10 and to service the general public through the
11 taxicab service they serve.

12 The 203 program came upon us in the early
13 '80s. We were in the inception. We were advised
14 that we would have to fill Shared Ride rates. At
15 that time the definition of a Shared Ride rate was
16 something less than the call mandated rate.

17 We were in the inception. We were
18 advised that we would have to file Shared Ride
19 rates. At that time, the definition of a Shared
20 Ride rate was something less than the call
21 mandated rate. So the various carriers submitted
22 tariffs that discounted their call mandated rate.
23 As you heard before, the new carriers that came in
24 were not required to do this. They just filed

1 whatever number came to their collective minds.

2 Just as a point of interest, we carried
3 approximately 250, 260 thousand lottery trips at
4 an average cost of \$3.50. I don't know where the
5 \$7 minimum in Montgomery County came from, but it
6 certainly didn't come from us.

7 The MCPA office has a responsibility for
8 advertising a lottery program, for registering the
9 new participants, for acting as a clearinghouse
10 for the submission of the bill to PennDOT. It
11 also is serving as the function of the internal
12 audit, trips taken against the signature that are
13 on each of the coupons when a trip is provided.

14 The individual care, as I think Mr.
15 Somerman pointed out, is inundated with the
16 complexities of the program. Most cab operators
17 in our particular area are relatively small
18 operations. We do not have the means or the staff
19 to do what Mr. Somerman did with his computers.

20 The lottery program itself has created a
21 vast influx of telephone calls that we were not
22 faced with before. A typical scene would be
23 someone calling up this morning for a trip
24 tomorrow and calling up approximately 4 or 5

1 o'clock to confirm that they had called up for
2 that trip for tomorrow.

3 Then they call up tomorrow morning to
4 make sure the trip is still scheduled and then
5 half hour before the trip is to be performed they
6 say, well, it started to rain outside. I can't go
7 out because my arthritis is bothering me.

8 I had approximately one and a half
9 personnel in my telephone answering department
10 just to handle this sort of thing.

11 The way a lottery varies from a quality
12 mandate ride is very distinctive. In the cab
13 industry, you would call for a cab. We would
14 write the order down. We would provide the cab,
15 approximately the time you ordered it for.

16 A lottery ride calls for advance day
17 notice. Somehow, we have to approve that the
18 order was given the prior day. Without the aid of
19 computers, we have no way of knowing what time the
20 bulk of the orders might hit. We might take
21 individual orders that accumulate and we don't
22 realize it unless the hour arrives that we have 25
23 rides for 10 o'clock in the morning. We only have
24 20 cabs available. Without some vast analysis in

1 my staff, it is impossible to prejudge the load.

2 That has a twofold effect. It results in
3 trips being picked up late and it results in loss
4 of caller demand trips because the person that
5 calls up at 9:30 for a caller demand trip cannot
6 be served because of the vast orders that we have.
7 They are clogging up our system.

8 The difficulties, as I say, start with
9 the advance day orders. It involves taking that
10 order and pricing it out. It involves, at the
11 time the order is dispatched, giving this
12 information to the driver to put on the passenger
13 coupon after the trip has been completed. It
14 involves an audit to see that the price that was
15 put on the dispatch order was the same that the
16 driver put on the coupon. Then it involves the
17 addition of the various factors that went on the
18 coupon, the amount of cash that the person paid,
19 the amount of the charge that is going to PennDOT.

20 All of these take time. All of these
21 take staff time that the small carrier does not
22 really have available, and unfortunately all of
23 these cost factors have not been allocated to the
24 203 companies.

1 In 1983, as an example, I allocated my
2 cost based on the number of trips taken in through
3 the switchboard. It wasn't really -- I mean, that
4 was that they did the order through PennDOT.
5 Because it opened my eyes as to the amount of
6 dollars that I'm spending over and above what it
7 would cost me to process caller demand trips.

8 I did a rough calculation for the first
9 seven months, I believe it was. It came to
10 something like \$22,000 for additional staff to
11 handle these calls.

12 This is comparing my costs this year
13 versus what it was three years ago.

14 I would like to point out to the
15 committee that a taxicab operation essentially is
16 a unique provider in the PennDOT 203 program. We
17 do not have a certain number of vans, buses or
18 sedans that do nothing but 203 trips. Our trips
19 are intermingled with the caller demand trips that
20 we get in our normal business.

21 We hope and -- in fact, we strive to get
22 a true shared ride where we can get two fares in
23 for the price of one. When I started this program
24 several years ago, my cab drivers almost rebelled

1 because they were taking the same people, the same
2 vehicle over the same trip for approximately 20
3 percent less than what they were paying before.

4 My drivers are all commissioned drivers.
5 It wasn't until the volume built up to where they
6 could take two people and three people at once
7 that they saw there was potential in this. But it
8 was a hard job selling my drivers. So that we're
9 dedicated at my level, anyhow, to carrying more
10 than one at a time.

11 However, the fact whether I carry one or
12 two or three is truly indicative of the
13 efficiencies that it generated in my business. If
14 I have a cab that deadheads at a certain point
15 approximately five miles from my office and is
16 driving back empty, that is lost mileage. If I
17 happen to have a coupon ride on that same trip, I
18 have generated money, where formerly I would not
19 have generated money, and this is a decided
20 advantage; it's a hidden efficiency that is not
21 recognized by PennDOT.

22 The statistical data that they have asked
23 for is mind boggling from a cab operation. They
24 want to know the time that the trip started, the

1 time that the person going out, the mileage to
2 perform that trip. If you can visualize a trip
3 sheet with 30 or 40 different trips and perhaps
4 one out of every three or four is a coupon trip,
5 this is -- and also that I have approximately 40
6 to 50 personnel on my payroll, this is a mind
7 boggling statistical problem which we do not have
8 the staff or the facilities for, and up to now
9 PennDOT has failed to recognize that there are
10 costs to administering this program which we are
11 expected to bear.

12 I would like to see PennDOT say, okay, if
13 you have extra costs, we'll reimburse them. A
14 funny thing was, I was working up some numbers to
15 find out the number of trips I actually performed
16 and I compared it to my caller demand rate, the
17 meter rate that I have in my cabs, and funny thing
18 was it worked out -- in particular cases, it works
19 out to 90 percent. I don't know why but it just --
20 it seemed to me that I was going to a lot of
21 trouble to take 10 percent off my caller demand
22 trips, and this is what the Shared Ride fare has
23 created. It has created a mind-boggling problem
24 for the carriers

1 Prior to PennDOT's 203 program -- we
2 carriers TO center throughout Montgomery County
3 and prior to the PennDOT program, we carried them
4 on an hourly rate basis. When PennDOT said, no,
5 you cannot carry on an hourly rate basis, we
6 require a per person shared ride rate, we tried to
7 point out that the cost would go up. They said --
8 even in spite of that, they said no, and therefore
9 in some of our cases, our cost almost doubled to
10 carry the same people in the same van to the same
11 center.

12 These are the problems you have when you
13 try to apply a uniform rule throughout the state
14 to all sort of carriers, whether they are counties,
15 public, private or otherwise. It is just
16 impossible. What I'm saying is a cab operation
17 has a distinct purpose in providing these cabs.
18 We provide probably at cheaper rates than any of
19 the people that I have heard testify today.

20 I'm not going to get into the PUC-PennDOT
21 struggle. I know that something has to be
22 resolved because somebody has to be responsible.
23 I went in for a caller demand rate increase in May
24 to help offset an insurance increase that I had

1 last year. My insurance costs went up
2 approximately two times what they were last year.
3 At the same time, I applied for a 10-cent per trip
4 increase in my lottery rides and I was shot down
5 by PennDOT even though the PUC was agreeable that
6 the increase was justified.

7 These are the sort of conflicts which I
8 don't think should exist.

9 Every time a conflict like that occurs,
10 it means that there is more work involved. I'm
11 sitting here today, just as I sat two weeks ago
12 addressing some other representatives about these
13 problems, when I should be attending to my
14 business at work. I hope PennDOT recognizes that
15 the costs of administrating this program are a
16 justifiable charge I can charge off some of my
17 time that I am spending here today.

18 The point I want to make, too, as far as
19 MCPA goes, we spend approximately a hundred
20 thousand dollars a year for our staff and costs at
21 the MCPA level. These two are not recognized and
22 I think has to be addressed.

23 PennDOT, their proposed rates said that
24 the coordinator, which I consider MCPA to be a

1 coordinator and at least certain segments of
2 Montgomery County, that the costs of the
3 coordinator should be built into the rate base.

4 So that what this encompasses, just to
5 lead you through the PUC procedures, all these
6 costs have to be allocated back to the carriers,
7 the carriers have to include them in our operating
8 statements as expenses so that the PUC can see
9 that they are justifiable costs so that you can
10 increase your rates accordingly. That's a very
11 complex thing versus saying, well, PennDOT, here
12 is your bill, here is the cost of the office for
13 the month.

14 Again, you know, as Mr. Somerman says, if
15 it is simpler, it's got to be better.

16 The question we have always involves the
17 third-party pay question. I feel that PennDOT
18 right now reserves a right to review these and to
19 approve or disapprove those that they feel is or
20 is not proper, unless they are inundated with a
21 lot of very small organizations that in most cases
22 they presume can continue to work.

23 I would just like to address one final
24 point from my personal standpoint.

1 I'm certificated both in caller demand,
2 which is taxicab service, and paratransit in two
3 counties. I started out with Montgomery
4 paratransit and we created a system in Montgomery
5 paratransit and subsequently Delaware County,
6 which is also my territory, developed our own
7 transportation consortium.

8 I requested the ability to serve the
9 clients that are in my territory in Delaware
10 County under their system and they in turn
11 contacted PennDOT, which advised them that it was
12 not possible, that if you are serving one system,
13 you could not serve under two systems. Why, I
14 don't know. It was particularly irksome to me
15 because my tariffs on many trips taken to Delaware
16 County were less than the tariffs that the
17 transportation consortium had in Delaware County.

18 I have no further comments.

19 Mr. Valencia is the vice-president of
20 Montgomery County Paratransit and he has no
21 comments either. I thought he might want to say
22 something.

23 CHAIRMAN LINTON: You covered it all.

24 Any questions from members of the

1 committee?

2 MR. SOMERMAN: Just at the meeting we
3 held that you were in Norristown, there were three
4 points.

5 There was a point made that there were
6 three different types of carriers, and I wonder if
7 you would like to address that or not.

8 MR. TILLMAN: Well, the three basic types
9 that I have seen are the three county
10 organizations, which really are not either more
11 applicable in the rural areas. They are the
12 private either for contract or not for contract
13 fleets of vehicles that do nothing but 203 work or
14 other transportation for disabled, and then there
15 are the taxicab operators who perform these things
16 as an officer of their own business.

17 It enhances our business. But I would
18 not say it has made my business grow. I would say
19 that approximately -- I'm carrying approximately
20 20 percent less trips now than I did last year,
21 but approximately one-third of my volume is
22 lottery rides now, the same people in many cases
23 that I carried before on the caller demand.

24 The two issues that I think have to be

1 considered, particularly in the case of taxicab
2 operators, is the advance day notice. This is a
3 rural regulation that limits the efficiency of the
4 cab operators. I operate an airport service. I
5 provide service on a hourly basis or more often to
6 the airport.

7 I prefer advance day reservations.
8 However, if I have an 11 o'clock van going to the
9 airport and you call up at 10:30 and say, do you
10 have any other space on the 11 o'clock, I sure as
11 heck am going to take that order.

12 The same holds true in the lottery
13 program. If I have only one order at 10 o'clock
14 at Saint Davids and somebody calls up two hours in
15 advance and says, I would like to go from Saint
16 Davids down to Ardmore, I am going to jump at the
17 chance because that's going to increase my
18 efficiency. We originally set up our program on a
19 two-hour advance notice. It worked quite well.
20 And then we were advised that we required -- we
21 had to fill in our tariff for the PUC prior day
22 reservation notice

23 This was very, very disconcerting for the
24 population. It did not increase our efficiency.

1 It was a rule regulation that was promulgated
2 because many of the paratransit citizens in
3 Philadelphia had started the operations in sedans
4 or station wagons, and one of the situations was
5 that to protect the cab operators from these
6 people acting as caller demands, required them to
7 have advance day notice. Unfortunately, this rule
8 was applied carte blanche to everybody, including
9 the caller demand operator. So that it acted as a
10 negative efficiency factor for us.

11 Yet there is a quarter-mile rule. I'm
12 not going to get into that one. All I know is a
13 senior citizen sitting on Lancaster Pike and
14 wanting to go down from Rosemont to Bryn Mawr, I
15 sure as heck won't call up and order a cab going
16 from Rosemont to Bryn Mawr.

17 Say, well, I'm going down to Bryn Mawr
18 Trust on Lancaster. I am going over to Bryn Mawr
19 College, which is a quarter mile away. Same scene.
20 Same fair.

21 When the person gets in the cab, what is
22 my cab driver to do when a person says, oh, no, I
23 changed my mind. I'm going to the Bryn Mawr Trust.
24 I'm going -- do they think they can change this

1 thing the way to rule. We cannot police. If you
2 want it policed, I will be happy to do it, but
3 please pay me to do it. That's what it boils down
4 to.

5 I also think the senior citizens, as Mr.
6 Somerman has Mr. Myers pointed out, is not going
7 to wait around for a half hour for a cab if he can
8 walk out his front door within a quarter mile and
9 get a bus on a scheduled basis. My service is not
10 as good as or as regular as a bus service that's
11 on an hourly or a half hourly basis, and that's
12 particularly true also of the high-speed lines.

13 So that I think the senior citizen is
14 going to take the cheapest method, most efficient
15 method available to him and I do not see it as a
16 prohibitive factor as far as SEPTA goes.

17 CHAIRMAN LINTON: Thank you. Thank you
18 very much.

19 One question.

20 MR. KASPER: In other words, you are
21 making the suggestion, Mr. Tillman, that since the
22 basic idea of the 24-hour advance call rule is to
23 increase productivity in the program, in some
24 instances it actually turns out against

1 productivity, perhaps in that instance, that if a
2 trip was scheduled 24 hours in advance, the first
3 one, that cab is going to be making that trip?

4 For purposes of illustration, say, from
5 Ardmore to Lankenau Hospital, as I recall, not the
6 person lives on Route 30, would be going again to
7 Ardmore.

8 Suppose Ardmore is a quarter mile away
9 and someone else in Ardmore calls an hour before
10 and says, excuse me, but I've an appointment at
11 Lankenau Hospital at -- you know, that that
12 instance you feel that, obviously, there should be
13 no conclusion to picking up the second person who
14 called even though it's an hour, not 24 hours?

15 MR. TILLMAN: Well, I would prefer two
16 hours. I mean, that's the original setup to give
17 us.

18 Let me put it this way: I think the goal
19 of these rules and regulations was to make sure
20 that -- particularly when the service is performed
21 by a cab company, that it is not the same as an
22 exclusive cab trip. Now, there are enough other
23 definitions of an exclusive cab trip versus a
24 shared ride that you don't need to advance day

1 order. You have the fact that you if you order a
2 coupon trip, you are agreeing to share that trip
3 for someone.

4 MR. KASPER: If someone else calls, you
5 are right. They are agreeing in any way whether
6 someone calls. They don't know.

7 They are agreeing to the idea.

8 MR. TILLMAN: They don't know whether it
9 is going to be one, two, or three people in that
10 cab. They also don't know how soon that cab will
11 arrive. We have that leeway.

12 MR. KASPER: 20 minutes.

13 MR. TILLMAN: Before and after the order.
14 So once they are picked up, they don't know
15 whether they are going to be the first one or last
16 one dropped off. If they have an appointment,
17 it's a very awkward type of service to meet an
18 appointment or a train or something like that.

19 I would not suggest it -- if you are
20 going to Lanckenau for a doctor's appointment,
21 would suggest taking a caller demand cab unless
22 you scheduled it at least an hour. See, you have
23 enough restrictions on the difference between an
24 exclusive cab ride and the Shared Ride rate even

1 without this advance day notice order.

2 MR. KASPER: Not arguing that point.

3 But just going on another thought.

4 Perhaps PennDOT feels that in some aspect,
5 the 24-hour advance notice is needed, say, to
6 establish the primary, the initial trip that cab,
7 that vehicle will be taking, it then becomes a
8 question whether, if at that point you have a
9 second- or third-party piggyback on what is
10 essential, the initial trip or a portion of that
11 trip, should they be allowed to be picked up
12 perhaps anytime before the trip is actually made,
13 whether it is an hour or two hours or three hours
14 as opposed to 24.

15 Are you getting my drift?

16 MR. TILLMAN: That would be a -- you are
17 saying the primary trip is scheduled the day
18 before?

19 MR. KASPER: Yes. So that's already
20 scheduled.

21 MR. TILLMAN: If you allow someone to
22 call up the following or the same day that the
23 trip is going to be provided, you have assurance
24 it is going to be piggybacked on another order.

1 In other words, I might have a trip out
2 in some -- Saint Davids and somebody calls up from
3 Newtown Square today. It is either all or nothing,
4 really. It is either all or nothing.

5 MR. KASPER: So you would not be
6 interested in a possible working of that would
7 give it some leeway for trips that could possibly
8 be piggybacked.

9 MR. TILLMAN: When you consider I take,
10 let's say, approximately as many as 300 trips in
11 one day, every one of those van orders, so that's
12 300 van orders, I think one of those people that
13 take that trip have to come back.

14 Now, they don't make an order when they
15 have to come back until they are ready to come
16 back.

17 Now, that's the same as a caller demand
18 order. That's exactly the same thing. She goes
19 to the doctor's at 11 o'clock. They are done at
20 12 o'clock. They call up and say, can you send a
21 cab over. We will try to get it there as soon as
22 we can. That's the return part of it, which is
23 nothing but caller demand. So you are saying the
24 order part of the has to have the advance but the

1 return part of it is truly a caller demand order.

2 The only flexibility I have is if I have
3 two return calls in the same territory and I have
4 the time limitations provided under the program so
5 that I am providing the return trip on a demand
6 response except for those two limitations that I
7 can put more than one person in the cab and that I
8 have the time flexibility. At some times I have
9 even less time than I have under my caller demand
10 because of the fact I can get business by five
11 minutes or caller demand.

12 Whereas, I have 20 minutes under the
13 program.

14 CHAIRMAN LINTON: Mr. Tillman and Mr.
15 Valencia, I would like to thank both of you for
16 taking the time to provide us with testimony.

17 I understand, as you said earlier, going
18 through this before when you met with the
19 delegation from Montgomery County. We would like
20 to thank you for going through it again and
21 providing this information to the committee.

22 We hope that we can take some of your
23 testimony and utilize it to make the program
24 operate more efficiently.

1 Thank you very much.

2 Mr. Rosen.

3 Thank you.

4 MR. ROSEN: I'm Samuel Rosen,
5 administrator in Delaware County.

6 We appreciate the opportunity to testify
7 today, and I realize it is getting to be a late
8 hour and I will try and kind of go through it
9 quickly and perhaps not repeat some of the things
10 that you have already heard.

11 We're historically a medical
12 transportation company but we're also two or three
13 Shared Ride providers in Philadelphia. We have
14 seen the regulations as they were proposed earlier
15 in the summer and we understand they are going to
16 be proposed in a somewhat different form and we
17 haven't seen those.

18 MR. KASPER: We haven't either.

19 MR. ROSEN: We're talking about the same
20 thing.

21 We would like to offer some observations
22 and perhaps some suggestions for your
23 consideration. It is probably clear to all of you
24 and it wasn't before today -- I guess it became

1 today -- that the noteworthy intention in enacting
2 Act 1001 and particularly Section 203 of the act
3 has turned into a nightmare.

4 We would like to suggest, even though it
5 may be that the manner in which the program has
6 been managed has been an invitation to abuse. As
7 you all know, the 203 program has been
8 administered by a method which well described
9 management by memo. PennDOT has never published
10 regulations but instead has issued directives,
11 which, as you are also aware, they directed the
12 Commonwealth Court. Triage was not a party to any
13 of these suits, as it is not an appropriate way to
14 do business, though we can confess to
15 understanding the motivation for these actions.

16 Might I also add, Representative Linton,
17 that Triage was one of those who in fact agreed to
18 submit bids to PCA and was given at that time we
19 were awarded the contract, not under the hourly
20 rate because of the further court action after
21 that time, but we agreed that the PUC is the
22 dollar tore and the fact that PennDOT agreed with
23 PCA that an hourly rate was appropriate, we agreed
24 that that was reasonable and therefore submitted

1 an hourly rate to PCA and were more than willing
2 to provide service at that hourly rate.

3 We were -- the other two members I guess
4 you'll have. We are, of course, aware that the
5 cost of the 203 program has escalated during the
6 past year for several reasons, but I think the
7 general assembly ought to be aware that its own
8 desire to better provide for Pennsylvania major
9 factor to the cost escalation. When the
10 reimbursement rates were revenue loss and
11 transportation providers was increased from 75
12 percent to 90 percent, it was virtually guaranteed
13 that the cost would escalate by more than that 15
14 percent increment, reducing the senior to only 10
15 percent credit and their needs are arrived at.

16 Carriers were encouraged to expand their
17 participation in the program and they were
18 discouraged to take a nearly free ride nearly
19 anywhere nearly anytime. This process of
20 expansion, many carriers did take advantage of
21 lack of clear direction from PennDOT in the loss
22 knows of their requirement to make unreasonable
23 profits, Triage expanded during this time as well.

24 However, we continued to maintain

1 historical profile as a medical transportation
2 company and made no particular effort to market
3 our participation in the 203 program. Instead, we
4 concentrated on providing quality service to those
5 who are most in need for many senior citizens whom
6 it is often meant time, the only company that will
7 take them where they need to go.

8 We maintain a fleet of special-equipped
9 vehicles, most with wheelchairs, locks, and almost
10 all vehicles carry two trained persons who can
11 handle difficulties including where the person
12 might be hurt. Each is trained with CPR first aid.
13 This quality service is costly.

14 What seems most important in the short
15 history of the 203 program is that it was only at
16 the point at which there became a fiscal crisis
17 that any real attempt to again cross of its growth.
18 Instead, carrying transportation service to the
19 real need of the aged population directors were
20 issue which would succeed in cutting the cost of
21 the direct expenses of the senior citizens who
22 were most in need. Only the intervention of you
23 gentlemen and your colleagues down the hall
24 prevented those May of 1985 directives from taking

1 effect.

2 The major impression left by the fiasco
3 was administration of the program in Harrisburg
4 was done without any real knowledge of the
5 dynamics of delivering real service to real people,
6 real people in the real world. Though all the
7 costs of the Section 203 program were borne
8 lottery-funded Pennsylvania long ago determined it
9 would abide ten old American act and in fact
10 passed our own legislation creating an act at the
11 cab level department.

12 We have a clear legal responsibility
13 under those statutes to provide for those elderly
14 in the great social transportation to request
15 regular. Would force us to violate our own
16 mandate.

17 Now, some of the problems that are
18 specific to the 203 program in those regulations.

19 First, it must be recognized, as it was
20 pointed out several times just since I have been
21 to the last two proceedings before the PUC and the
22 Department of Transportation, which are both
23 involved in the regulation of this program. There
24 are clearly inherent conflicts in it since the PUC

1 has statutory mandates protecting the public
2 interest while PennDOT has no clear mandates at
3 all. Instead, they have taken a reactive posture
4 of simply controlling cost while largely ignoring
5 the public interest.

6 It became well known that the PUC would
7 like to be out of paratransit. Perhaps the
8 legislators ought to consider granting their wish.

9 As a considerable historical action that
10 you must provide to PennDOT perhaps which will
11 allow them to administer the paratransit program
12 with professionalism.

13 In addition, you ought to make every
14 effort to do more than simply state your
15 intentions. No administration appreciates the
16 legislation writing regulations, the nature of
17 this service, as well as the controversy here is
18 sufficient justification for passage of the
19 detailed statute which guarantees the intentions
20 are to be carried out, the stipulation agreed to
21 by the Commonwealth of the parties to the
22 legislation against PennDOT in August turned to
23 the 203 program in the 1984-85 guidelines.

24 It was these same guidelines which now

1 the fiscal and administrative price still occurred
2 on the first line.

3 If you wish to prevent these kinds of
4 acts in the future, you should act now and enact
5 legislation which will render the court moot and
6 regain control of the program for the Commonwealth.

7 The methodology proposed by PennDOT is
8 not necessary than the loud while they peer
9 tremendous to encourage shares of rides that is
10 incurred to formulate the reimbursed Shared Ride.
11 Just in point of fact, that does not reflect
12 reassignment. It would force carriers who have
13 contracts to transport large numbers of 203
14 eligible passengers out of business. The carriers
15 which legitimate focus attention on the most
16 significant needs will not be taking this Shared
17 Ride expense.

18 You should understand by the amount the
19 courts dictate to the one person per person trip
20 you'll achieve one goal. You'll serve.

21 Force the trip is one example.

22 To serve only with the lowest bid without
23 considering any of the other facts. Single fact.
24 Very simply, you'll get what you pay for. The

1 practical effect will be that you will get
2 untrained personnel, shoddy vehicles and
3 questionable safety.

4 The elderly, who are the least mobile,
5 most vulnerable and most in need of quality
6 transportation, are the ones who will be left
7 behind.

8 Let me pose two examples which will
9 highlight the problem.

10 In Philadelphia, the community respite
11 centers are administered by the Philadelphia
12 Presbyterian Home under contract with the PUC
13 provides day care service to the multiple-
14 handicapped elderly persons. We carry their
15 client list in some cases.

16 This program told us that they may be
17 forced to curtail or cancel service for numerous
18 of their clients if price become the only
19 consideration. They have had experience with
20 other carriers who either promise and don't
21 deliver or simply refuse to carry them.

22 Our service is not cheap, but in this
23 case it will develop persons who are
24 institutionalized or being maintained in their own

1 home because of the day care program. They are
2 linked to that program as our quality
3 transportation. Even if measured only by dollars
4 or service and day care or less costly than
5 institutionalization. We have determined in
6 Pennsylvania through the extent of our resource
7 supporting agency service network we accomplish to
8 serve the opinion elderly community to the
9 greatest extent possible.

10 Are we now going to allow this social
11 policy to be read by giving the Department of
12 Transportation the ability to set reimbursement
13 rates without consideration of the population to
14 be served? More than half of our transportation
15 that are not groups what is generally referred to
16 as randoms were referred to by other witnesses.
17 More than half of our nongroup transportation are
18 individual nonambulance.

19 In addition, most are being transported
20 from private homes in Philadelphia to two-story
21 row homes, lots of steps. Nearly 90 percent of
22 those persons are going to medical facilities for
23 treatment. Their transportation costs for these
24 services are not covered by Medicare and most are

1 going to some hospital and nursing home.

2 These kinds of transportation, if they
3 are done to be effectively, require two-person
4 crews and take time. Cost is the only factor and
5 transportation service would create a whole class
6 of isolated old people, increase vulnerability to
7 health perhaps and ultimately their business.

8 The conflict between PUC and PennDOT
9 becomes easiest when one looks at the fare.

10 The PUC employs the process for an
11 appropriate rate but PennDOT proposes a process as
12 well. Who is to be in charge. Who is the
13 appropriate party to bill. How does the
14 department establish the statutory responsibility
15 to PUC. Please examine the logic of, on the one
16 hand, having a bureaucracy complex at PUC with
17 it's in determining a rule of administrative
18 procedure establishing the authority for carriers
19 based on need and a system for approval of tariffs,
20 and then on the other hand, a bureaucracy in the
21 Department of Transportation simply deciding to
22 fill out their own rules.

23 It's any wonder that department lands in
24 the court.

1 Third, their responsibility has a lot of
2 issues. The department decision policy to now
3 only the trip a to be third-party responsibility
4 on reimbursement was responsible for maintaining a
5 gradation and just this even results in some
6 carriers and PCA in Philadelphia withdrawing their
7 participation where before that withdrawal didn't
8 take place only because of the court.

9 And we would recommend this sponsorship
10 be limited, but we would also want -- Mr. Nevison
11 said earlier clearly the third sponsor would be
12 established for the department the kind of audit
13 trail they have been wanting all along and would
14 also guarantee that they would be taking those
15 persons who were in need of service.

16 We believe, though, sponsorship should be
17 limited to prohibit the participation prior
18 concerns from paying the senior citizens' share
19 when their only purpose is to enhance their profit.
20 The main category and similar other problems ought
21 to be part of the medical facilities day programs,
22 mental health center, nursing home, similar others
23 should be the participants in the program.

24 Third-party sponsor.

1 Additional billing process which would
2 provide that department with a reasonable audit
3 trial, not force our poor seniors to come up with
4 their share at the time of the transport should be
5 allowed.

6 In fact, it should be.

7 The fact that if I wanted to pay the
8 share for my mother, I couldn't do so because I'm
9 not in a trip area. What if my mother or yours
10 was unable to handle finances. Couldn't pay her
11 10 percent share when she was transported with the
12 Department of Transportation. Would you spend to
13 provide her under Section 203 program.

14 PennDOT proposes the escort court must
15 pay 50. I heard an earlier writing suggest to us
16 that escort was a terrible abuse in this program.
17 That is simply not our experience.

18 In our case, in fact, that forces us to
19 violate or approve tariffs which provide one
20 companion would ride for free. While we
21 understand that there may have been some abuse,
22 that has not been our experience.

23 Is it real sense to charge 50 percent of
24 the fare at minimum for such an escort or would

1 the department's rate prove even to be a higher
2 rate to care for the elderly? Neither seems an
3 appropriate sense.

4 PennDOT seems to be so intent on cutting
5 cost and preventing abuse that it is add in does
6 they are owing the baby with the bad water.

7 The proposed data checks we determine
8 would reduce our productivity on the street by
9 about 5 percent.

10 Having each senior citizen sign a log
11 will clear a time for each transport. Two weeks
12 out of each month the department proposes to keep
13 track of so much detail that if it were complete,
14 you would provide to build a storm facility.

15 Just no evidence to support the needs for
16 such data and even on that simplification that
17 they would know what to do with it.

18 PennDOT over the years input about
19 regulation. We were part of that effort. We
20 would have contacted the members and they
21 apparently be totally ignored in the process, the
22 regulations which were proposed in July but were
23 never published were not approved in the committee.

24 In fact, at the department meeting in

1 July, the committee publicly disavowed any
2 connection with the committee because of the
3 consent of the proposal. Why do we go through
4 that if they are just a sham.

5 The only section of PennDOT's proposal is
6 probably the most intrigued. They propose that by
7 January 1, 1986, there must be coordination
8 transportation systems in place. We heartily
9 endorse that idea but that was hardly the
10 suggestion that it is possible to establish those
11 coordinated systems in what it's now about three
12 and a half months. Of your the assumption is made
13 that simply because the system is coordinated, the
14 need will be met. Those coordinated systems which
15 are presently in place have not been able to meet
16 the need of eligible senior citizens.

17 In Delaware County where business is long,
18 we did have a two or three authority Delaware
19 County. We in Delaware County -- I'm sure if you
20 heard from the director of yet today, they do
21 agree job, but they clearly are meeting the needs
22 of as many of the 203 eligible citizens as they
23 are in Delaware County.

24 What measures would the department use to

1 determine if needs were being met?

2 I want to coordinate the transportation
3 would be in the first place unless our only intent
4 in that is to save money. It will appear that the
5 department is simply not concerned with whether
6 are needs since they also arbitrarily placed a
7 free on expansion of service and approval of
8 third-party responsibility.

9 This arbitrary decision should be
10 examined carefully and analyzed with reference to
11 the PUC decision to grant authority for
12 paratransit based on need -- I hope that part
13 makes sense -- particularly if, on the one hand,
14 they grant authority based on need that those
15 internal procedures that potential carriers have
16 to go through to establish the need for their
17 service, if revolve that one high does the
18 department decide that there is not need for that
19 service.

20 Simply on the basis of an application,
21 when that same carrier had gone through a legal
22 process with the PUC, who hears days and days of
23 testimony about need and then renders a decision,
24 yet the department simply on the basis of an

1 application for authority would deny that 203
2 application and yet the PUC already determined
3 that the need was clearly there.

4 It's probably also important for us, if
5 we're going to have any kind of proposals, whether
6 legislative or regulatory, to ask that you also
7 consider the expectations of elderly persons whom
8 we transport. Many do not wish to share the ride.
9 They are insulted in having to verify their age
10 and they will not even consider the possibility
11 that they are able and ought to use public
12 transportation.

13 We would hope that the general assembly
14 would recognize that your contribution to the
15 elderly revolution of rising expectations is
16 significant and the efforts are to be made to
17 control the 203 program, you should recognize and
18 encourage a role for the elderly whom you serve.

19 It's probably just short of heretical to
20 make the observation, but the transportation needs
21 of nonelderly handicapped people are also not
22 being met. There are no funds available unless
23 they are able to use our very limited public
24 transit service, and those are only viable in

1 major metropolitan areas such as Philadelphia. My
2 consideration is given by the general assembly to
3 this problem of paratransit service. You should
4 not forget the most transportation handicapped, if
5 that means letting lottery fund monies, will be
6 used for nonelderly persons.

7 I would like the one last observation or
8 rather reiterate an earlier statement, you get
9 what you pay for. If the general assembly falls
10 into the trap of trying to control costs without
11 regard to either one of the real transportation
12 needs of the elderly, or, two, the complexity of
13 providing quality transportation, then it would
14 haunt us all. We'll pay one way or the other.

15 I hope you recognize that we should meet
16 those needs effectively now and prevent the
17 increased vulnerability which would result from
18 isolation.

19 Pennsylvania must not abandon its elderly.
20 We should instead struggle to provide them access
21 to the service which will keep transportation in
22 the community.

23 Thank you.

24 CHAIRMAN LINTON: I'm going to reserve my

1 questions and not ask them.

2 Could we get copies of your testimony?

3 MR. KASPER: It was a very good
4 presentation and we would like to have it.

5 You mentioned about the idea of not
6 limiting the transportation. You mentioned
7 limiting transportation through regressive
8 regulation is not the way to go. You made
9 reference to the PUC's lengthy need for
10 verification approval process. If you get by
11 that, what the heck? Why should PennDOT do it?
12 What about the idea of trying to build up the
13 efficiencies?

14 I know some of yours are unique.

15 MR. ROSEN: There is no question. First
16 of all, we have arrived at the efficiencies for
17 some of our difficult transport systems. We have,
18 you know, as a for instance, a typical bus, common
19 bus that's on the road today that would handle --
20 that has a lift, hydraulic lift. It got two crew
21 members, and we can take on a typical common bus
22 probably four wheelchairs and three ambulatory.
23 There are some efficiencies.

24 Under our contract with PUC-PCA, we had

1 more efficiency in those kinds of trips than any
2 other situation because we were taking people to
3 common destinations. It is much more difficult
4 otherwise.

5 MR. KASPER: In a coordinated effort,
6 wouldn't the system where you had built-in
7 coordination help?

8 MR. ROSEN: I would have to say
9 theoretically, yes.

10 I think there are two questions you raise:
11 One, in Delaware County where the transportation
12 consortium is -- we probably have numbers that are
13 somewhat reasonable in terms of need and specific
14 requests. We probably have it there.

15 I mean, I think the consortium does a
16 terrific job. I wonder how much that terrific job
17 can continue if, for instance, they were really to
18 open up there. They do no advertising because
19 they don't have enough vehicles to really meet
20 much larger need.

21 What would happen if, for instance, the
22 consortium were to advertise on TV for the next
23 two weeks every night. I would be willing to bet
24 you my next weeks salary that there is no way in

1 the world they could meet that need with their
2 present structure. Whether or not simply more
3 dollars and more vehicles or whatever they could
4 do that is questionable. There is a limit to what
5 a coordinated system would do.

6 I think Mr. Somerman made a point about
7 that, brought out on this wonderful computer
8 system. Only it made them so efficient that they
9 couldn't operate.

10 MR. KASPER: Live up to it.

11 MR. ROSEN: We're in the process of
12 computerizing our whole system. That's one of the
13 things that we're playing with because we know
14 that others have had that kind of experience and
15 we're trying to change the parameters so when we
16 get on line, we will be able to do that more
17 effectively.

18 But I'm not sure there isn't a point of
19 diminishing returns. In a city the size of
20 Philadelphia, the point of diminishing returns
21 probably isn't very high. I don't think it's
22 possible in a place as large as Philadelphia. I
23 think that's the real issue if you are going to
24 expect coordination. It perhaps needs to be done

1 at a smaller level.

2 CHAIRMAN LINTON: Thank you once again,
3 Mr. Rosen, for your testimony. We would
4 appreciate the copies.

5 Mr. Oldsteen, did you desire to make a
6 statement?

7 If there is nothing else to say, once
8 again, I would like to thank those who were still
9 with us and thank the department for sitting
10 through and listening through the testimony. And
11 hopefully we'll struggle together to resolve many
12 of the problems that we heard today so that we can
13 once again have a Shared Ride Program that's
14 sufficient, effective, and also does not result in
15 numerous court suits and considerable amount of
16 regulations and directives that have to be
17 rewritten and reissued.

18 So we're hoping that we continue to work
19 in that effort.

20 I would like to end our hearings today
21 and we'll continue, I believe, tentatively on
22 October the 3rd in the Allegheny area to elicit
23 testimony from the western part of the state.

24 Thank you all for your attendance.

(Hearing concluded at 4:45 p.m.)

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