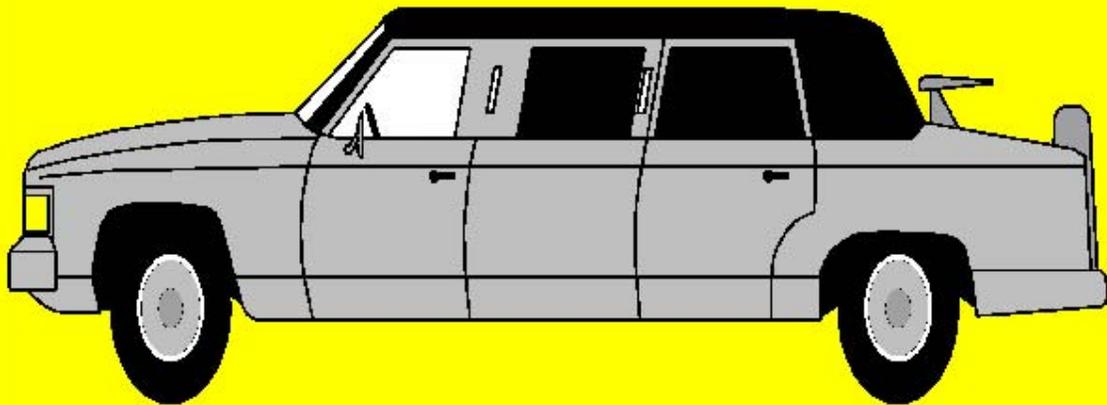


Investigative Report Limousine Service Firms



November 13, 2007

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OCP Investigative Report – Limousine Service Firms

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When planning a special event such as a wedding or prom, consumers often seek the services of a limousine firm. To select a specific limousine firm consumers frequently consult a yellow page telephone directory. Many consumers assume that all limousine firms listed in a telephone directory are properly licensed and are equipped to provide the services they offer. The Office of Consumer Protection (OCP) conducted a study of the 136 limousine service firms listed in one yellow page directory¹ for Montgomery County, Maryland to evaluate these common assumptions.

Background

OCP received and investigated a complaint from a consumer claiming that wedding guests were left stranded when the limousine company that was hired failed to provide a 47-seat passenger bus for which the consumer had paid and reserved in advance. The firm with which the consumer contracted was not properly licensed.

Limousine firms are required to have different types of licenses or permits depending upon the geographical areas in which they operate. To operate throughout Maryland, a limousine firm must be licensed by the Maryland Public Service Commission (PSC). The PSC licenses limousine carriers, drivers for hire, and limousine vehicles. To operate in Montgomery County, Prince

¹ The Verizon Yellow Pages, Southern Montgomery County Edition, January 2006

George's County, Arlington County, Fairfax County, and Washington D.C. (the Washington metropolitan transit area), a limousine firm must also be licensed by the Washington Metropolitan Area Transit Commission (WMATC). If a limousine firm picks up passengers from BWI Thurgood Marshall Airport, the limousine firm would also need a permit from the Maryland Aviation Administration (MAA).

However, if the limousine firm only operates in the Washington metropolitan transit area, no PSC authorization is necessary. If all of a carrier's vehicles seat 9 or fewer persons, including the driver, the carrier may be exempt from WMATC certification requirements.

Methodology

An alphabetical list of all of the limousine firms found in the directory was compiled, including the name of the firm as it appears in the directory, the addresses, and the telephone number.²

OCP cross-checked the limousine firms listed in the telephone directory with the firms that are registered as licensed passenger carriers according to the PSC's webpage.³ The list of unlicensed limousine firms was compiled and mailed to the PSC for confirmation. The PSC provided written confirmation of which firms were not licensed.

² Multiple listings with the same or substantially similar name were combined, absent additional information from the PSC.

³ Where telephone numbers and or addresses matched those listed on the PSC website for a firm with the same or substantially similar name, both names are cited together in the list.

This confirmation with the PSC was necessary because a few of the firms were licensed by the PSC but were listed in the telephone directory using a different trade name which might not be found on the PSC's webpage list of licensed firms.

The list of limousine firms found in the yellow page telephone directory was also sent to the Washington Metropolitan Area Transit Commission to determine if they were licensed with WMATC. WMATC provided written confirmation of which firms were not licensed.

In addition, the list of limousine firms and advertisements found in the yellow page telephone directory were reviewed to identify those firms that made a specific reference to providing "airport" service.

OCP contacted the Maryland Aviation Administration (MAA) to determine if the limousine firms which specifically advertised that they provide "airport" service actually had a permit from MAA to pick up passengers from BWI airport. The accuracy of this information may be dependent upon whether a licensed firm is listed in the telephone directory under a different trade name.

OCP made a telephone call to each of the 16 firms which specifically advertised "airport" service to inquire if they pick up passengers from BWI airport because the MAA license is only required for firms which pick up passengers and is not required for firms that only drop off passengers.

Findings

OCP found that 51.47% (70 of 136) of the limousine firms listed in the telephone directory were not licensed by the Public Service Commission (PSC).

OCP found that 88.24% (120 of 136) of the limousine firms listed in the telephone directory were not licensed by the Washington Metropolitan Area Transit Commission (WMATC).

OCP also found that 75% (12 of 16) of the limousine firms listed in the telephone directory which specifically advertised “airport” service did not have a permit from the Maryland Aviation Administration (MAA) to pick up passengers from BWI airport.

Additional Considerations

This report is limited in scope to evaluating whether consumers can assume that limousine firms listed in a telephone directory are licensed. We did not conduct any price comparisons among the firms and we did not seek to study differences in reliability. However, in the course of conducting this study we noted the following:

- Some limousine firms maintain webpages which may contain photographs of many different vehicles including stretch limousines, Hummers, and buses of many different sizes. Licensed carriers must register each vehicle with the Public Service Commission, and the PSC inspects and licenses these vehicles. However, it appears that some limousine firms

(even licensed firms) may advertise vehicles that they do not own or do not have in their possession. Rather, these firms operate as “brokers” and will “farm-out” reservations they receive for these vehicles. This practice is acknowledged by the limousine trade association we contacted.

Consumers may wish to determine if the type of vehicle they are requesting is within the merchant’s stock or is one for which the merchant will have to borrow or make other arrangements in order to perform the service for which they have been paid.

- There is more than one “yellow” telephone directory and they are published by different firms. We are not aware of any “yellow” telephone directory publisher that verifies whether a merchant is licensed before they accept an advertisement or listing. In addition, the size of the advertisement appearing in the directory is not necessarily indicative of its accuracy, or of a firm’s reliability. Rather, having a larger advertisement just means that the merchant paid more for that advertisement.
- Some limousine firms state that they are a corporation and use the abbreviation “Inc.” to indicate that they are incorporated. However, we have found examples of merchants that represent that they are incorporated when, in fact, they are not registered in Maryland or their corporate charter has been revoked or suspended. Accordingly, it may be difficult for consumers to know with whom they are contracting and to whom they are making their payment.

- It is possible that a limousine firm is licensed under a corporate name but is listed in the telephone directory under a different trade name.

Recommendations & Resources

OCP offers the following advice to consumers in selecting a limousine firm:

1) Check all licenses

To operate in Maryland, the limousine service must be licensed by the Maryland Public Service Commission (PSC). A list of licensed carriers is available on their website, <http://www.psc.state.md.us/psc/>. To operate in the Washington Metropolitan area, a company must be licensed by the Washington Metropolitan Area Transit Commission (WMATC). A list of licensed carriers is available on their website, <http://www.wmatc.gov/>. To determine if a limousine carrier is licensed to pick up passengers at BWI Airport, call (410) 859-7298.

2) Make sure the companies are insured and the drivers licensed

The PSC has specific requirements for insurance when it comes to licensed vehicles, based on the number of passengers that they hold. Check that the company meets the PSC's requirements, which can be found at <http://www.psc.state.md.us/psc/Info/forms/form-28.doc>.

3) Check how long the company has been in business

Often, companies that have been around for a much longer time are more experienced and reliable. This should be something to consider, but not necessarily a deciding factor when choosing a company. To research a company's history, go to <http://www.dat.state.md.us/sdatweb/datanote.html>.

4) Are they part of a professional trade association?

Inquire whether or not the company is part of organizations such as the Better Business Bureau, www.dc.bbb.org or the National Limousine Association. Often, these are more established, professional companies.

5) Speak to past clients

If you know anybody who has used a specific company, inquire about their experience and satisfaction level, or any other information that may help you in deciding whether or not that company will meet your needs.

6) Put everything in writing

Make sure that you keep track of all emails, letters, contracts, and other correspondence between you and the company. These will be important from the time you begin an interaction with the company, to the time when the check clears and the event is over. The contract should be specific and include any relevant dates, locations, times, hours of service, information about the specific vehicle (make, model, year, and color), prices (including gratuity for drivers),

overtime charges, etc. The contract should also detail the policies regarding cancellations or liability for any service that was promised but not provided.

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Maryland Aviation Administration (MAA)

P.O. Box 8766

Third Floor, Terminal Building

BWI Airport, MD 21240-0766

(410) 859-7111

(301) 261-1000

<http://www.marylandaviation.com/>

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301 West Preston Street

Baltimore, Maryland 21201-2395

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49 South Maple Avenue

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