

## City of Alexandria, Virginia

## MEMORANDUM

DATE: NOVEMBER 15, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: COUNCILMAN LUDWIG GAINES  
COUNCILMAN ROB KRUPICKA

SUBJECT: REGULATORY FRAMEWORK FOR THE TAXICAB INDUSTRY

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**ISSUE:** City Council consideration of a revised regulatory framework for the Alexandria taxicab industry.

**RECOMMENDATION:** That City Council:

- (1) Receive this report and its proposed regulatory framework for the Alexandria taxicab industry;
- (2) Approve the proposed regulatory framework; and
- (3) Direct the City Attorney and staff to develop the City Code amendments and City regulations necessary to implement the approved regulatory framework and docket them for public hearing and Council consideration in January 2005.

**BACKGROUND:** At its June 22 legislative meeting, Council reviewed and provided comments on a proposed regulatory framework for the taxicab industry. Since that meeting, the proposed framework has been revised based on comments received from Council members and extensive discussions with stakeholders and interested parties. We believe this framework is now at a level of development suitable for final consideration and ask that Council receive this report and the new regulatory framework it proposes for the Alexandria taxi industry, approve this framework, and direct the City Attorney and staff to proceed with preparation of code amendments and regulations based on the approved framework

**DISCUSSION:** The proposed regulatory framework addresses a broad range of issues and concerns. Key benefits of the proposed framework include:

**Competitive Enhancements**

1. All companies must provide meaningful dispatch service.
2. Companies may grow or shrink based on dispatch service performance.
3. New companies can more readily enter the market.
4. Company sizes are limited.

5. Company-held certificate cards may not be sold.

### **Consumer Enhancements**

1. Measurable performance standards are established for dispatch service.
2. The age of taxicab vehicles is limited.
3. ADA-accessible taxicab vehicles are required.
4. Hybrid fuel taxicab vehicles are encouraged.
5. Customer service training for drivers is required.

### **Driver Status Enhancements**

1. Drivers will control a significant proportion of certificate cards.
2. Driver mobility is significantly increased.
3. Fare reviews and adjustment will consider the City's living wage.
4. Retiring drivers will be provided an opportunity for increased income.

### **Improved Regulatory Oversight**

1. Annual industry reviews are broader and stronger.
2. Bi-annual reviews of fares and industry fees are established.
3. Stand dues are more closely monitored.
4. An industry advisory group is established.
5. Policy expectations are clearly established.
6. Automation and current technology will increase regulatory effectiveness.

The proposed regulatory framework is discussed in detail below in five framework areas:

- Distribution of certificate cards between drivers and companies;
- Provisions primarily affecting companies;
- Provisions primarily affecting drivers;
- Additional provisions; and
- Industry reviews, and service and performance information.

## **Distribution of Certificate Cards Between Drivers and Companies**

### **A. Distribution of Certificate Cards**

1. The number of certificate cards assigned to individual drivers and the number assigned to companies, which will be authorized by their certificate of public convenience and necessity, will be regulated based on the market needs for City taxi service and the division between City and non-City (airport) service.
2. Based on current market needs, an overall goal of maintaining 35 to 45 percent of all certificate cards assigned to qualifying drivers is established. This percent will be regularly reviewed and adjusted based on future service needs.

3. Initially, 40 to 45 percent of the existing certificate cards (258 to 290 of the current 645 total certificate cards) will be issued to qualifying drivers.
  - a. Qualifying criteria will include 7 years driving experience in Alexandria within the previous 15 years, completion of a 3-day training course and a satisfactory driving record.
  - b. Initially, cards will be issued to drivers in three stages over a period of 18 months. After the initial distribution, additional driver cards may be authorized based on service needs.
  - c. In the event that the number of qualifying drivers exceeds the number of certificate cards to be issued to drivers, a lottery will be held among those qualifying drivers.
4. Initially, 55 to 60 percent of the existing certificate cards (355 to 387 of the current 645 total certificate cards) will be retained by companies. As with driver-assigned cards, this percent will be regularly reviewed and adjusted to reflect future service needs.
  - a. The long-term goal is to for each company to be assigned the number of certificate cards it requires to meet City-based service needs (i.e., the demand for dispatch and stand service).
  - b. The number of authorized taxicabs in the City, as well as the number of certificate cards assigned to each company, will be re-evaluated and adjusted annually based on City-based service needs.

## **B. Initial Implementation Process**

1. The new regulatory framework will be implemented over an 18-month period. During this period, certificate cards will be assigned to individual drivers and each company's certificate of public convenience and necessity will be reissued to show the number of certificate cards assigned to it. In addition, requirements for all companies to provide dispatch service will be implemented (see separate discussion below). An 18-month transition period is proposed to allow for an orderly conversion to the new regulatory structure and to provide a reasonable opportunity for industry adjustment.
2. The following process will be used in the initial assignment of certificate cards to drivers:
  - a. The specific proportion and number of cards to be assigned to drivers will be determined, the qualifications of drivers who desire to be issued certificate cards will be reviewed, and the initial group of qualifying drivers will be established.
  - b. Cards will be assigned to qualifying drivers in three stages at six-month intervals, with one-third of the total number of cards to be assigned to drivers assigned in each stage. If in any stage, the number of qualifying drivers exceeds the number of certificate cards to be issued to drivers, a lottery will be held among those drivers who qualify and desire to receive a certificate card.
  - c. The first half of the driver cards will be assigned to qualifying drivers based upon their then current company affiliations. In other words, the first half of the certificate cards that each company is required to give up will be assigned to qualifying drivers affiliated with that company. Immediately after assignment, the total number of taxicabs affiliated with each company will be unchanged. However, drivers who are assigned certificate cards may change company affiliation at any time subject only to

- the transfer restrictions. This process for assigning that first half of the driver certificate cards is intended to minimize disruption to the industry and provide each company an opportunity to retain its current drivers.
- d. The second half of the driver cards will be assigned based on an industry-wide list of qualifying drivers. The number of taxicabs affiliated with each company may increase or decrease as a result of this assignment of cards to drivers.
  - e. Again, drivers who are assigned certificate cards may change company affiliation at any time, subject only to applicable transfer restrictions.
3. The following process will be used in adjusting the number of cabs authorized by each company's certificate of public convenience and necessity:
- a. The first half of the certificate cards to be assigned to drivers will be obtained by an equal-percentage, across-the-board reduction in the number of taxicabs each company is authorized to operate. Based on an initial distribution of 40 to 45 percent of existing cards to drivers, this reduction will yield 129 to 145 certificate cards for assignment to drivers.
  - b. The second half of the certificate cards to be assigned to drivers will be obtained by reducing the number of certificate cards then held by each company to the number it requires to serve demand for City-based service. For each company, this reduction will be based on the following considerations:
    - (1) The number of cabs currently serving dispatch and City stands; and
    - (2) The number of additional taxicabs (if any) the company will need to serve any company-projected and City-verified increase in City-based service demand prior to the next annual industry review.Based on an initial distribution of 40 to 45 percent of the certificate cards to drivers, this reduction will yield an additional 129 to 145 certificate cards for assignment to drivers.
  - c. At the next annual industry review, each company will be required to provide verifiable evidence that any projected increase in service needs was or is being realized based on growth in service call volumes, specific ongoing marketing activities and other relevant information.

### **Provisions Primarily Affecting Companies**

#### **A. Dispatch Service Requirements and Enforcement**

1. All companies must provide dispatch service that meets the following standards:
  - a. All companies must have two-way broadcast communication with taxicabs. (Effective immediately upon enactment of ordinance.)
  - b. Dispatch must operate 24/7 if a company has 100 or more taxicabs (i.e. the number of company-held certificate cards and the number of affiliated driver-held certificate cards). For smaller companies and new-start companies during the first year of operation, dispatch must operate 18/7. (Effective immediately upon enactment of ordinance.)
  - c. Companies must pick up 90 percent of customers who call the company within 30 minutes and 80 percent within 15 minutes. (Effective 12 months after enactment of

ordinance, with a six-month cure period for companies failing to meet these standards.)

2. Dispatch requirements will be enforced as follows:
  - a. Response times will be evaluated for all companies based on a “phantom fare” service quality evaluation program, customer satisfaction surveys and company provided dispatch service data. City staff and volunteers in the “phantom fare” program will record the time that they called the company and the time that the cab showed up. In the customer satisfaction survey, customers will be asked the name of the company and how long they waited on their most-recent trip. Companies will be required to submit dispatch service records on request.
  - b. Companies found to be out of compliance based on this information will be given a six-month probationary or cure period to come into compliance. The company and City will agree on a procedure to accurately assess the company’s performance during the six-month probationary period.
  - c. The City Code will provide that any company that fails to comply with the dispatch requirement after the six-month probationary period shall not have its certificate of public convenience and necessity renewed. Disposition of certificate cards held by such a company will be decided after a public hearing and based on the public interest. The City could handle in this situation in one of two ways:
    - (1) Drivers from the company being dissolved could apply to move with the assigned certificate card to another company, in which case, the certificate card could be reissued to the receiving company.
    - (2) Companies (existing and new) could apply for the certificate cards. Any company receiving such certificate cards could, for a 30-day period only, fill those cards with drivers affiliated with the company being dissolved.
  - d. Merger and transfer of ownership of a company will not be permitted during a probationary period.

## **B. Ceilings on Company Size**

The objective of ceilings on company size is to foster competitive dynamics among all cab companies. The provisions in this section are designed to provide opportunity for small and newly started companies to develop demand for dispatch service and to prevent any company (or individual or group of individuals) from gaining a dominant position in the industry, while not penalizing companies for growing their demand for dispatch service to meet community needs.

1. For a period of at least three years following enactment of the ordinance that puts this new regulatory framework into effect, no more than 40 percent of the total number of outstanding certificate cards may be affiliated with any single company, whether in the form of company-held or driver-held cards. Thereafter, this restriction may be changed or eliminated by the City Manager, based on a recommendation from the Traffic and Parking Board expressing an affirmative finding that such action is consistent with the public convenience and necessity.

2. For a period of at least three years following enactment of the ordinance that puts this new regulatory framework into effect, no company may be merged with or sold to another company if the resulting company would hold more than 30 percent of the total number of outstanding company-held certificate cards. Thereafter, this restriction may be changed or eliminated by the City Manager, based on a recommendation from the Traffic and Parking Board expressing an affirmative finding that such action is consistent with the public convenience and necessity.
3. No individual or entity may have an ownership interest in more than one taxicab company.
4. New companies and the merger/acquisition of existing companies:
  - a. New companies which will foster competition and improve service in the industry are welcomed and encouraged. New companies must show public convenience and necessity. When considering requests to start new companies, the City will take into account the number of drivers with driver-held cards that commit to affiliating with the new company. Up to 50 certificate cards may be issued to a new company to support start-up efforts to grow dispatch service demand and meet the needs of its target markets as identified in its application. In the annual review process, the City may use attrition to offset any issuance of new cards, thereby maintaining a stable number of cabs citywide.
  - b. Purchases of existing companies (including purchases by other existing companies) may be administratively approved, provided the purchase is demonstrated to be in the public interest and a detailed business plan for meeting all dispatch service requirements is provided to and accepted by the City.
  - c. Mergers of existing companies may be administratively approved, provided that no merging company is in probationary status due to a failure to meet dispatch service requirements and the resulting company does not exceed any applicable limits on company size.

### **C. Transferability of Company-Held Certificate Cards**

1. Company-held certificate cards are not transferable between or among companies. In the case of a company being sold, the acquiring person or entity must show public convenience and necessity, including the ability to meet all requirements for operating a taxicab company.
2. Sales of companies may include consideration for physical assets, goodwill, etc.; however, certificates and company-held certificate cards may not be sold.

#### **D. Stand Dues**

1. Companies cannot charge different stand dues to drivers who hold certificate cards than they charge to drivers using company-held cards (i.e., while stand dues may vary for other factors, such as driver experience or tenure with company, stand dues must be charged equitably to drivers who hold and do not hold a certificate card).
2. Companies must provide 30-day notice to drivers of any change in stand dues. A schedule of the new stand dues must be posted on the premises and filed with the City. The schedule must clearly state the reasons for the change in stand dues and the basis for any differences in dues among drivers (e.g., years of experience, tenure, etc.).

#### **E. Other Requirements**

1. Certificate cards, whether company-held or driver-held, that not assigned to a vehicle for a period of 90 days, or are not in active use for a period of 90 days, will revert to the City.
2. Companies must provide customer receipt books or forms to drivers that include the preprinted company name, company phone number and Hack Office phone number for complaints. Drivers must offer a written receipt to each customer.

#### **Provisions Primarily Affecting Drivers**

##### **A. Driving Requirement for Driver-Held Certificate Cards**

1. Drivers holding a certificate card must actively drive a taxi in the City at least 200 days per calendar year. In consideration of extenuating circumstances (e.g., extended severe illness), the City may grant reasonable exceptions to this active driving requirement.
2. Drivers holding certificate cards may rent out their cab to other drivers subject to reasonable limits and requirements set by the City.

##### **B. Driver Affiliation and Movement**

1. All drivers must maintain affiliation with a cab company.
2. Drivers holding a certificate card may affiliate with the company of their choice, subject to:
  - a. Acceptance by the company to which they chose to move their affiliation;
  - b. At least six months of continuous affiliation with their current company; and
  - c. Settlement of any financial obligations with the company from which they chose to move.
3. Drivers who do not hold a certificate card but are operating taxicabs authorized by company-held certificate cards may affiliate with the company of their choice, subject to:
  - a. Availability of an unassigned certificate card held by the company with which they chose to affiliate, and

- b. Settlement of any financial obligations with the company from which they chose to move.

### C. Transferability of Driver-Held Certificate Cards

1. Driver-held certificate cards are not transferable.
2. When a driver holding a certificate card leaves the industry, the certificate card automatically reverts to the City for re-issuance to another qualifying driver (selected from a waiting list or through lottery), or withdrawal from use.
3. Current drivers who are assigned a certificate card will be given a one-time, two-year extension of the vehicle age limit when they leave the industry or are within two years of retirement. These drivers may chose to drive the vehicle during this two-year extension or to lease or sell the vehicle to another driver, transferring any remaining age limit extension for the vehicle to the lessee or purchaser.<sup>1</sup>
4. The prohibition on the transfer/sale of driver-held certificate cards is intended to ensure that the experiences of other localities with transferable medallions or similar privately-held taxicab permits are not replicated in Alexandria. These experiences include:
  - a. Negative financial impact on drivers not receiving certificate cards in the initial issuance. If cards were transferable for value, existing drivers not receiving cards in the initial issuance and all future drivers would have to make upfront payments to obtain certificate cards. These payments would come from personal savings or loans, and would create a significant barrier to these drivers obtaining certificate cards. If loans were available, payments on the loans would reduce the net income of those drivers, potentially quite substantially, as seen in New York, Chicago, Boston and other major medallion cities.
  - b. Barrier to future regulatory actions to meet the City's service needs. Transferability for value creates limitations to government actions necessary to maintain reasonable regulatory control, to adjust to future service needs and to respond to changing circumstances. The financial value inherent in transferable certificate cards or permits creates a strong incentive for holders to resist changes needed to improve public service, regardless of how beneficial those changes might be. Typically, the governing concern becomes the impact of changes on the certificate card or permit value, rather than on the public service. It is notable that in medallion cities, taxi

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<sup>1</sup> This provision provides an opportunity for drivers who are active owner-operators at the time of enactment of the ordinance implementing these regulatory changes and who receive a certificate card, to recoup all or a significant portion of any vehicle purchase premium they may have paid based on an assumed added value for the associated certificate card. This provision is not intended to apply to any driver who begins driving in Alexandria after enactment of the ordinance, is not an owner-operator at the time of enactment or does not receive a driver-held certificate card prior to leaving the industry.

In a similar context, consideration was also given to industry and driver-funded retirement programs for drivers. A number of such programs are currently available to individual drivers, and the industry is strongly encouraged to take the initiative in developing an industry-wide, privately funded retirement program that would be available for all drivers.



drivers and owners have resisted increases in the number of taxicabs for decades, fearing that such increases would reduce the value of their medallions.

- c. Legal and regulatory impact of certificate cards becoming private property. Licenses issued by a government, such as certificates of public convenience and necessity and certificate cards, may become a constitutionally protected property interest<sup>2</sup>. Once a property interest is established, the United States Constitution prevents government from removing the interest except for cause (with notice and opportunity to be heard) or after paying just compensation. Therefore, an ordinance permitting individual certificate card holders to transfer their certificate cards to new holders for value, without a discretionary review and approval by the City, would confer on the holders a property interest in the certificate, which would be entitled to constitutional protection. This would greatly limit the City's regulatory control since, if it desired to reduce the number of certificate cards retiring driver-held cards, the City would have to compensate drivers for the value of their cards, or provide a reasonable amortization period prior to retiring the cards.

#### **D. Driver Training**

A mandatory, one-half day refresher course will be established for all drivers to be completed every two to three years. The emphasis of this training will be improving customer service skills, including providing service to persons with disabilities and other special needs.

#### **E. Limitations on Where Drivers May Pick Up Passengers**

Drivers may elect to serve customers in the City market, in the airport market or it both without regulatory limitation. There will be no regulatory distinction between "City-only" or "airport-only" cabs.

#### **Additional Provisions**

##### **A. Vehicle Age Limits**

1. A maximum age limit of seven model years will be established for taxicab vehicles.
2. This age limit will be phased in over a two-year period as follows:
  - a. Effective immediately upon enactment of the ordinance implementing this regulatory framework, vehicles older than seven model years may not begin service as a taxicab vehicle in Alexandria.
  - b. Effective two years after enactment, vehicles older than seven model years may not remain in service as a taxicab vehicle in Alexandria.

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<sup>2</sup> *Board of Regents v. Roth*, 408 U.S. 564 (1972), (property rights are created and their dimensions are defined by existing rules or understandings that secure benefits and that support claims of entitlement to those benefits); *Reed v. Village of Shorewood*, 704 F.2d 943 (7th Cir. 1983) (viewed functionally, property is what is securely and durably yours under state law, as distinct from what you hold subject to so many conditions as to make your interest meager, transitory or uncertain)

3. During the two-year phase-in period only, the vehicle service life extension provided for current drivers who leave the industry and hold a certificate card, may be used to further extend the service life of their taxicab vehicle.

#### **B. Accessible Vehicles and Hybrid/Alternative Fuel Vehicles**

1. A minimum of three to five percent of company-held certificate cards will be required to be assigned to wheelchair-accessible vehicles. Companies that provide more than the required percentage of accessible vehicles may be issued additional company-held certificate cards for the additional accessible vehicles. A qualifying driver who provides a wheelchair-accessible vehicle may be issued a driver-held certificate card.
2. A two-year extension of the vehicle age limit will be allowed for a hybrid or alternative fuel vehicle, provided the vehicle continues to meet established vehicle safety standards.<sup>3</sup>

#### **C. Enforcement of Regulations**

1. All City Code provisions and taxicab regulations will be fully and uniformly enforced.
2. A fine and penalty structure will be established for enforcement, including joint company/driver penalties where appropriate.

#### **D. Industry Advisory Committee**

1. An industry advisory committee will be established that includes representatives of taxi companies, taxi drivers and the public, and will serve as a forum for industry communication and provide feedback to City staff on regulatory issues.
2. This committee will meet on a quarterly basis, or more frequently as may be needed.

#### **E. Administration**

1. An evaluation of the Hack Office staffing and automation needs will be undertaken. The number of Hack Inspectors will be increased by one or more as necessary to provide an adequate level of on-street enforcement.
2. Records collection and tracking will be automated. The addition of one records clerk will free up Hack Inspectors' time for non-clerical duties, particularly increased enforcement activities.
3. In cooperation with the Industry Advisory Committee, a process will be established for expedited issuance of temporary driver permits, allowing new-entry drivers to begin driving during processing of their driver permit request.

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<sup>3</sup> As a separate matter, Council may wish to consider property tax and decal fee incentives to further encourage use of hybrid and alternative fuel vehicles in the taxicab fleet, as well as by City residents.

4. Alternatives to enhance taxi service for all persons with special needs, including multiple contracts for the DOT and Senior Taxi programs, will be examined.

### **Industry Reviews, and Service and Performance Information**

The Traffic and Parking Board will remain primarily responsible for monitoring the taxicab industry and recommending appropriate actions to the City Manager. In discharging its responsibility, the Board will (1) conduct industry reviews and recommend changes in the number and allocation of authorized taxicabs, including the allocation of certificate cards between drivers and companies; (2) review taxicab rates of fare, industry fees and regulatory costs and recommend appropriate changes; (3) serve as a public hearing body; and (4) recommend changes in the rules and regulations governing the industry.

#### **A. Annual Industry Review**

1. The City will conduct an annual review of the taxi industry. The total number of authorized certificate cards, their allocation to individual companies and the number assigned to drivers will be based on the findings of this annual review.
2. Cab companies and drivers will be required to submit specified records and information for the purposes of this review. City staff will collect and assemble additional information for this review as described below.
3. The number of certificate cards issued to each company and the number issued to drivers will be evaluated and, as needed, adjusted on an annual basis. Based on review findings, the City may:
  - a. Increase the number of certificate cards by issuing additional cards to companies and/or drivers based on the criteria listed below; or
  - b. Reduce the number of certificate cards through attrition as drivers and companies return cards to the City when they are no longer in use, and/or by recalling certificate cards issued to one or more companies.
4. The annual review process will include a hearing before the Traffic and Parking Board, which will make recommendations to the City Manager. Criteria to be used by the Board in deciding whether to recommend changes in the number of outstanding certificate cards issued to drivers and/or individual companies will include:
  - a. Demonstrated need on a company-by-company basis for additional or fewer cabs to provide satisfactory public service, and to ensure adequate availability of cabs for dispatch service and at taxi stands.
  - b. Changes in the number and type of trips actually served by cabs affiliated with each company.
  - c. Effects on the number of trips served and the ability of drivers to earn a living wage.
5. Based on Board's recommendations, the City Manager will determine and adjustments in the number of certificate cards issued to each company and the number issued to drivers.

## **B. Bi-Annual Reviews of Fares and Industry Fees**

1. Every two years, the City will review the rates of fare, including the base fare and permitted additional charges, and all fees charged to companies and drivers.
2. A specific consideration in setting rates of fare and fees will be driver income compared to the City-adopted living wage.
3. Full recovery of all industry-related regulatory and enforcement costs will be a primary consideration in establishing City-charged fees for both companies and drivers.

## **C. Service and Performance Information**

1. The City will conduct the following surveys for the annual review:
  - a. "Phantom fare" service quality evaluation program;
  - b. Customer satisfaction survey (similar to web survey conducted earlier this year); and
  - c. Field observations and counts of activity at taxi stands and airport (using airport AVI data when available).
2. Cab companies will be required to submit the following on a monthly or quarterly basis:
  - a. Dispatch call volume totals; and
  - b. Number of complaints by type.
3. Cab companies will be required to submit the following on an annual basis:
  - a. Annual financial statements prepared in accordance with generally accepted accounting practices, to include a balance sheet and income statement and copies of all pertinent income tax returns. (As appropriate, financial information may be submitted as confidential materials for government use only.) Submission of financial statements will not be required before the end of the first full year following enactment of this requirement.
  - b. Schedule of current stand dues.
  - c. Dispatch call volumes, and detailed call and pick up data files
4. Drivers will be required to maintain daily manifests and submit them to the City upon request.
5. All industry-provided information, whether by a company or a driver, shall be sworn as to accuracy and completeness, and will be subject to independent review at City discretion.

## **Conclusion**

We believe this regulatory framework defines a sound, reasonable and rational basis for regulating taxicabs in Alexandria, reflects the City's public service needs and equitably balances competing interests, and we recommend that it be approved by Council. Upon approval, we, together with staff and the City's taxicab advisor, will continue working closely with affected parties to develop the supporting details required to implement the approved framework, and to bring to Council in January 2005 a draft ordinance and regulations implementing this framework.

**FISCAL IMPACT:** This proposal recommends at least one new Hack Inspector and a clerical employee, as well as automating record keeping in the Hack Inspector's Office.

**ATTACHMENT:** None

### **STAFF:**

Richard J. Baier, P.E., Director, Transportation & Environmental Services

Thomas H. Culpepper, P.E., Deputy Director, Transportation & Environmental Services

Joanna Frizzell, Assistant City Attorney

# **Regulatory Framework for the Alexandria Taxicab Industry**

**Alexandria City Council**

**November 23, 2004**

## **Core Elements**

- Certificate cards distributed to both drivers and companies
- Dispatch required for all companies – Performance standards established
- Annual market-based review of company size and driver/company card distribution
- Stronger regulatory oversight

## Changes Since June – Certificate Cards

- 40-45% of cards to drivers in initial distribution - 35-45% long term goal
- Implementation reduced to 18 months
- Companies limited to 40% of all cards for at least 3 years
- Drivers permitted to move every 6 months

## Changes Since June - Dispatch Requirements

- Strict penalty established for failure to meet dispatch service standards
- Dispatch enforcement process clarified
- Disposition of cards defined if company fails to meet requirements.

## Changes Since June - Vehicle Requirements

- One-time vehicle service life extension for current drivers leaving industry (Valued at \$5,000 to \$6,000)
- Vehicle mileage limits eliminated (model year limit only)
- Implementation of vehicle age limit reduced to 2 years

## Customer Service Elements

- Dispatch service requirements, standards and penalties
- Monitoring and enforcement of dispatch service requirements
- Encouraging new companies – increased competition
- Driver training – customer service and special needs groups
- Age limit on taxicab vehicles



## Customer Service Elements

- Accessible vehicles and hybrid/alternative fuel vehicles
- Increased enforcement and oversight
- Company/driver fines and penalties
- Annual service reviews
- Bi-annual review of rates and fees
- Company and driver reporting of service and performance information

## Issues/Concerns

- Distribution of cards between companies and drivers
- Future review of driver/company certificate card allocation
- Transferability of driver-held cards
- Opportunity for drivers to recover investment

## Issues/Concerns

- Required dispatch hours for small and new companies
- Reliable service for seniors and disabled
- Penalties for refusing fares and poor service
- Driver training – customer service and special needs customers
- More frequent service quality checks

***Thank You***

## **Issues/Concerns**

### **AUTO/TWSC**

1. More cards for drivers after 18 months
2. Future Council review of company/driver split
3. Modified dispatch requirements – 12/5 or 7; 18/7; 24/7
4. Link driver-held cards to company's dispatch call volume
5. Economic parity – All cards transferable or none transferable
6. Recovery of driver "investment"
7. How will ownership restriction be implemented?

### **Taxicab Companies**

1. Adequate number of company-held cards for city service
2. Cap on company size too low if dispatch standards are enforced
3. Requirement for accessible vehicles

### **ACPD / Commission on Aging**

1. Driver-held cards may result in inadequate number of DOT/Senior drivers
2. Allow DOT/Senior Taxi vendor to obtain additional cards if necessary for service continuity (returned to City at termination of contract)
3. Driver penalties for refusing service to persons with special needs
4. Periodic performance review of drivers holding certificate cards
5. Effective mechanism to address service problems for seniors and disabled
6. More frequent driver training, including needs of seniors and disabled

### **Senior Services**

1. Cap on company size may inhibit successful companies
2. Penalties (company and driver) for late pick ups
3. Penalties for refusing fares
4. Economic incentive to serve DOT/Senior trips (Incentive pool based on customer service ratings)
5. Driver training – more frequent, address special needs
6. Confirmation of dispatch service requests
7. Adequate number and type cabs to serve senior/disabled needs
8. More frequent (every six months) service quality evaluation
9. Increased competition – balance price and quality

### **Council**

1. Full transfer of certificate cards to drivers
2. Allow certificate cards to be sold with limitations
3. Reduce or eliminate tenure requirement for driver-held cards
4. Require 10 percent hybrid vehicles

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11-23-04

November 18, 2004

Honorable William Euille, Mayor  
City of Alexandria  
301 King Street  
Alexandria, Virginia 22314

RE: Proposed Changes to Alexandria Taxi Industry-Regulatory Framework

Dear Mr. Mayor:

We are grateful to the Rob Krupicka and Ludwig Gaines for their extraordinary efforts in trying to improve the taxi service in our City and for their considerable time spent with representatives of Senior Services and the Commissions on Aging and on Disabilities to solicit their counsel on behalf of seniors and people with disabilities.

As a primary source of transportation help for seniors and the disabled, Senior Services has the following concerns and recommendations regarding the proposed regulatory framework changes called for in the "Regulatory Framework for the Taxicab Industry" dated November 15, 2004:

**Dispatch Service:** Currently, there is no confirmation that calls placed on behalf of seniors are dispatched to drivers and/or that drivers are serving the seniors' requests. (Senior Services gets many calls from riders whose pickups have been forwarded two and three times to taxi company and still have not been picked up. Seniors are sometimes 'de-selected' by drivers.)

**Driver Incentive:** There is a disincentive for taxi drivers to transport seniors and people with special needs. These people often require additional assistance to get in and out of the taxi which takes extra time for which the driver is not paid – time that could be spent transporting other paying riders. We urge you to find a way to give drivers a financial incentive to transport seniors and people with disabilities. And, conversely, there might be some penalty for those who do not do their fair share in transporting them.

**Available taxis and drivers:** There must be the number of taxis and types of taxis sufficient to meet seniors and disabled persons' transportation needs.

**Driver training:** We suggest that the ½ day training be instituted annually after the initial customer service training is provided. While it may not be appropriate for us to specify the elements of the training in the regulations, it is very important that the training specifically include how drivers should respond to seniors and disabled riders.

**Service Quality Evaluation:** We respectfully suggest that the quality of service performance under a new framework should be evaluated every six months for the first two years and much earlier if customer concerns/complaints indicate the need to do so.

**Competition:** Senior Services of Alexandria believes that it is healthy for both the taxi industry *and* Alexandria residents as a whole to have more, and more viable, competition. In the ideal, competition drives up quality and/or drives down price. For the taxi/van industry to be healthy, both *price and* quality have to be in balance, and this is a delicate balance to achieve: one to ‘fuel’ the driver to serve the rider, the other to serve the riders financial needs and the driver/company’s need to compete *and* remain viable.

Finally, the memo states, “Alternatives to enhance taxi service for all persons with special needs, including multiple contracts for the DOT and Senior Taxi programs, will be examined.” This is a very important matter and should be looked at sooner rather than later. *We believe these programs can be improved in ways to benefit the City, the riders with special needs, and the taxi drivers and companies. We urge the City to “examine” this matter as soon as possible.*

Alexandrians are fortunate to have City staff and elected officials who are concerned about meeting the needs of *all* its citizens. We trust you will favorably consider our suggestions on behalf of our less fortunate citizens who are often unable, or fear, to speak up for themselves

Respectfully,

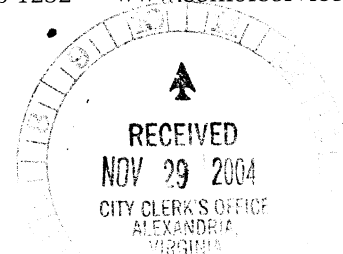
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William Harris  
*President*

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Eileen H. Longstreet  
*Executive Director*

c. City Council of Alexandria Members  
c. Chet Avery



November 18, 2004

Honorable William Euille, Mayor  
City of Alexandria  
301 King Street  
Alexandria, Virginia 22314

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H. Arthur Sauer  
Gary B. Selmeczi  
Paul Smedberg  
Dorothy Thomas  
Ruby Tucker

RE: Proposed Changes to Alexandria Taxi Industry-Regulatory Framework

Dear Mr. Mayor:

We are grateful to the Rob Krupicka and Ludwig Gaines for their extraordinary efforts in trying to improve the taxi service in our City and for their considerable time spent with representatives of Senior Services and the Commissions on Aging and on Disabilities to solicit their counsel on behalf of seniors and people with disabilities.

As a primary source of transportation help for seniors and the disabled, Senior Services has the following concerns and recommendations regarding the proposed regulatory framework changes called for in the "Regulatory Framework for the Taxicab Industry" dated November 15, 2004:

**Dispatch Service:** Currently, there is no confirmation that calls placed on behalf of seniors are dispatched to drivers and/or that drivers are serving the seniors' requests. (Senior Services gets many calls from riders whose pickups have been forwarded two and three times to taxi company and still have not been picked up. Seniors are sometimes 'de-selected' by drivers.)

**Driver Incentive:** There is a disincentive for taxi drivers to transport seniors and people with special needs. These people often require additional assistance to get in and out of the taxi which takes extra time for which the driver is not paid – time that could be spent transporting other paying riders. We urge you to find a way to give drivers a financial incentive to transport seniors and people with disabilities. And, conversely, there might be some penalty for those who do not do their fair share in transporting them.

**Available taxis and drivers:** There must be the number of taxis and types of taxis sufficient to meet seniors and disabled persons' transportation needs.

**Driver training:** We suggest that the ½ day training be instituted annually after the initial customer service training is provided. While it may not be appropriate for us to specify the elements of the training in the regulations, it is very important that the



training specifically include how drivers should respond to seniors and disabled riders.

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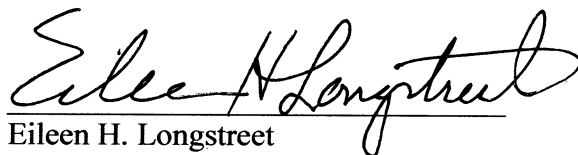
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Respectfully,



William Harris  
*President*



Eileen H. Longstreet  
*Executive Director*

c. City Council of Alexandria Members  
c. Chet Avery

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CITY MANAGER'S OFFICE  
ALEXANDRIA, VA

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www.seniorservicesalex.org  
United Way #8311

121 North St. Asaph Street, Alexandria, Virginia 22314 • 703-836-4414 • (fax) 703-836-1252 • www.seniorservicesalex.org  
e-mail: seniorservicesalex@pop.net

FACSIMILE COVER SHEET

DATE 11/22/04  
TO Mayor Eville and Philip Sunderland  
COMPANY \_\_\_\_\_  
FAX 703 838 6343 Phone \_\_\_\_\_  
FROM Eileen H Longstreet  
RE Proposed Changes to Regulatory Framework of Taxi Industry

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- Paul Smedberg
- Ruby Tucker

Eileen H. Longstreet  
Executive Director

Number of Pages 3  
(Including cover sheet)

COMMENTS Sirs: we hope you can help Senior Services to secure the transportation accessibility by seniors & disabled persons by considering our concerns!

THE INFORMATION CONTAINED HEREIN AND FOLLOWING THIS COVER IS STRICTLY CONFIDENTIAL AND, UNDER PENALTY OF LAW, MAY NOT BE USED BY OTHER THAN THE INTENDED PARTY FOR THE INTENDED PURPOSE, IF IT IS RECEIVED IN ERROR, PLEASE NOTIFY SENDER. THANK YOU.

Respectfully,  
Eileen H Longstreet



# Senior Services

OF ALEXANDRIA

121 North St. Asaph Street, Alexandria, Virginia 22314 • 703-836-4414 • (fax) 703-836-1252 • www.seniorservicesalex.org  
e-mail: seniorservicesalex@pop.net

November 22, 2004

**URGENT**

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Alexandria, VA

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Paul Smedberg  
Dorothy Thomas  
Ruby Tucker

**RE: Proposed Changes to Regulatory Framework for Taxi Industry**

Mr. Mayor and Mr. Sunderland:

Senior Services of Alexandria was contacted today by the owner of the Yellow and Diamond Cab companies. In the owner's statements to me, he indicates:

If the drivers obtain the certificate cards currently under his control, that drivers will revert to serving only Metro and airports riders, ending their dispatched-service and reducing the number of taxis available to D.O.T and Senior Taxi.

The Yellow Cab owner states that he "needs to get at least 56 of the Diamond certificates" transferred from Diamond to Yellow Cab to have enough drivers to serve the needs of seniors and disabled persons (D.O.T.).

Without the taxi company's power to dispatch taxis, drivers will choose to pick up only those riders whose trips are financially desirable. This will divert their attention from service to seniors whose trips are shorter, reducing the per-fare driver income.

It seems that the only recourse to increase competition would also, of necessity, involve greater financial incentives to drivers in the form of improved rates. We do not expect that this is palatable to the City, given its financial constraints.



United Way  
#8311

Mr. Mayor and Mr. Sunderland, our very urgent concern is that the needs of seniors and the disabled not 'fall through the cracks' during this struggle between drivers and owners. While we support fairness and equity for each side, our first and constant allegiance is, of course, to Alexandria's vulnerable seniors and disabled people. We ask that the attendant possible repercussions of the changes being recommended be carefully considered for their unintended effect on seniors.

Respectfully,



Eileen H. Longstreet  
Executive Director

c William Harris, President, Board of Directors, Senior Services of Alexandria