

**TAXICAB COMPANY STANDARDS
RECOMMENDED FOR METROPOLITAN AREAS OF
GREATER THAN ONE MILLION POPULATION
BY THE
TAXICAB, LIMOUSINE & PARATRANSIT ASSOCIATION**

(Adopted October 9, 2007)

Introduction

The Taxicab Company Standards Task Force of the Taxicab, Limousine & Paratransit Association (TLPA) was tasked with drafting a set of taxicab regulatory standards that, if adopted in total by the taxicab regulatory agency in metropolitan areas of greater than one million population, would lead to a community-wide improvement in the professionalism of licensed taxicab companies and the quality of taxicab service they provide. Recognizing that metropolitan areas usually include a central city surrounded by several suburban jurisdictions, each of which separately regulates taxicab service, these standards are recommended to be adopted by the central city and the denser suburban jurisdictions nearest to the central city.

To fully implement the improved quality of service called for in this recommended standard, the taxicab regulatory authority needs to adopt a regulatory structure that supports full service taxicab organizations. A full service taxicab organization provides value added to each taxicab vehicle permit and can be effectively held accountable to meeting community service standards. Without strong, full service taxicab organizations, it becomes economically impractical for those in the taxicab industry to meet the regulatory requirements. Just as important, it becomes almost impossible for the community to enforce its regulatory requirements without implementing a very significant regulatory apparatus such as New York City did by creating its Taxi & Limousine Commission with 400+ employees. For a more complete understanding of the benefits the community derives from full service taxicab organizations, see the paper produced by the Center for Transportation Studies of the University of Missouri – Saint Louis.

In reviewing taxicab ordinances from major cities located in North America, it was noted that all of them have three basic regulatory elements: safety, rates, and quantity of taxicabs. TLPA agrees that these three elements need to be regulated. In addition, we believe that a fourth element, quality of service, must also be addressed. Many of the factors that are addressed in this document under the quality of service heading often are addressed under safety, or as a stand-alone item, in many ordinances. Because these factors so directly affect the quality of service that the public receives, the Task Force decided to group them into a Quality of Service section of this paper.

We urge metropolitan areas of greater than one million population to adopt as much of this recommended taxicab company standard as is reasonable for their community. It is understood that not all of these recommended provisions can be adopted in all major communities. For example, taxicab companies in New York City are not allowed to have two-way communications, so the dispatch recommendation contained in this paper would not apply to New York City. Also, for communities of less than one million population, many of the recommendations contained in this paper are not applicable, such as vehicle age limits and response times, which may be unduly restrictive and costly for any community that does not have a large and dense population.

I. SAFETY

Every aspect of taxicab regulation ultimately relates to a safety factor. Rather than list every regulatory provision under safety, only the most basic of safety-related items are included here.

A. Insurance

Each community must balance the competing public interests of providing for adequate levels of insurance with the desire for lower taxicab fares. The reality is that higher insurance requirements lead directly to higher taxicab fares. All taxicab organizations need to be required to carry commercial auto liability insurance for taxicabs. If purchased from an insurance company, the insurance company must be licensed/approved to write commercial auto liability insurance for taxicabs in the state. If the commercial auto liability insurance for taxicabs is provided through self-insurance, then the self-insurance must be provided by a state approved self-insurance program. Also, there should be a requirement that the regulatory agency be given 30 days advance notice before a commercial auto liability insurance policy on a taxicab is terminated.

B. Regulatory Enforcement

The taxicab industry supports active regulatory enforcement on existing, licensed taxicab service providers and on unlicensed, illegal taxicab service providers. Regulatory enforcement must be fair and impartial and in no instance should a fine against a legal provider of service be higher than the fine against an illegal provider of service for the same infraction. Clearly the greater threat to the safety of the taxicab passengers and the general public is the unlicensed, illegal taxicab service providers who are knowingly breaking the law for personal gain. These service providers typically do not carry commercial liability insurance for taxicabs. Their vehicles are not inspected for safety. The drivers have not cleared a criminal background check. The fees they charge are not regulated. Passengers who, unknowingly ride with an illegal provider, and any driver sharing the road with an illegal provider's vehicle, are at risk because illegal taxicab drivers who do not carry commercial automobile liability insurance have no insurance coverage when providing illegal commercial taxicab service, since a personal automobile liability insurance policy does not cover commercial services.

C. Vehicle Inspections & Age Limits

Vehicles used as taxicabs must pass a local licensing inspection. Vehicles that are less than four model years old should be required to pass one local vehicle inspection annually. Any vehicle that is four model years old or older should be required to pass two inspections annually. Further, major metropolitan areas should require that a vehicle be no more than five model years old when it is placed into taxicab service, and that a vehicle be removed from service at the end of the day on December 31 at the conclusion of the vehicle's eighth model year. The model year of the vehicle should be treated as the first calendar year for the vehicle regardless of the build date or purchase date of the vehicle.

D. Dispatch Systems

While a dispatch system is a major factor in the provision of quality of service, in this case it was decided to keep the dispatch requirements in the safety section of the ordinance because the dispatch system is the primary means of communication between the taxicab organization and the taxicab driver and passenger. In the event of an accident, medical emergency, crime, or other emergency, the

dispatch system is the best means for summoning help.

Due to its safety and quality of service attributes, the computer dispatch system is an absolute requirement for all taxicab service providers. The taxicab dispatch system must be operational 24-hours-per-day, seven-days-per-week, 365-days-per-year. The computer dispatch system must be technologically advanced so that at a minimum, it is capable of automatically tracking all taxicab vehicles, dispatching the most appropriate available taxicab (considering time, distance, and any special passenger needs), responding to a distress signal sent from the taxicab vehicle, and maintaining dispatch records. Two-way radios and cell phones alone are no longer able to meet the service demands placed on taxicab service in major metropolitan areas.

II. TAXICAB FARES

Taxicab service is unique in the for-hire ground transportation business because the public may hail a taxicab on the street; take the first taxicab in line at a taxicab stand at an airport, train station, hotel, etc.; call the taxicab organization for an immediate response; call the taxicab organization for an advance reservation; or accept the taxicab that someone else (restaurant, bar, or other party) called for on their behalf. Because the public very often does not have a real choice in the taxicab that they take on street hails, taxicab stands, third party callers, etc., taxicab fares are regulated.

A. Uniform Fare

It is in the public interest for taxicab fares to be regulated and understood by the public. To this end, all taxicab fares in the metropolitan area should be uniform (all taxicab organizations charge the same fare) and clearly displayed.

B. Taxicab Meter

The uniform fare should be accurately determined by a device, which displays the fare for the passenger to see and calculates the fare based on distance traveled and time taken for the trip.

C. Fare Review

The taxicab fare structure should be reviewed at least every other year to determine if a rate increase or decrease is warranted. A smaller annual or biannual adjustment to the taxicab fare is preferable to major changes being made less frequently. When a particular cost item becomes extremely volatile, such as fuel costs are currently, then an automatic rate adjustment factor needs to be put into place. Once the cost factor increases or decreases by a certain predetermined amount for a predetermined period of time, then an automatic or expedited rate adjustment should be made that is not required to go through the normal rate hearing process.

III. QUANTITY OF TAXICABS & TAXICAB COMPANIES

Balancing the supply of taxicabs with the need for taxicab service is a critical factor in achieving community-wide, quality taxicab service. Without a balance in the supply of taxicabs and the number of taxicab companies, taxicab drivers are not able to earn a reasonable living and the taxicab companies are not able to make the infrastructure investments necessary to provide quality service to the public.

A. Limit on Number of Taxicabs

To maintain a proper balance in the supply of taxicabs, the community needs to track the rise and fall in demand for taxicab service and then periodically (every other year) increase or decrease the number of licensed taxicabs. When new permits are distributed, they should be given to taxicab organizations that have a documented record of meeting or exceeding the community's taxicab standards to enable the organizations that are giving the best service to grow. Conversely, if there is a reduction in the number of permits, then those taxicab organizations not meeting the taxicab standards should give up their permits. There is no universal formula for determining the correct number of taxicabs that need to be licensed, although population and density factors are very significant.

B. Limit on Number of Taxicab Companies

The proper number of taxicab organizations in the metropolitan area will vary. While it may be perfectly appropriate for any one community in the metropolitan area to have just one taxicab organization, the full metropolitan area should have more than one taxicab organization. Three factors need to be taken into consideration when determining the proper number of taxicab organizations for the greater metropolitan area. First, there needs to be a required minimum fleet size (reviewed under quality of service). Second, there typically are several taxicab organizations in the greater metropolitan area so that a taxicab driver has a choice of taxicab organizations with which he/she may affiliate. Third, since taxicab regulations are most effectively enforced through taxicab organizations, it is more efficient for regulatory entities to limit and then focus on fewer taxicab organizations.

IV. QUALITY OF SERVICE

Many of the items covered under this quality of service heading would be equally valid to be listed under safety of taxicab service. We have placed them under this heading to draw extra attention to factors that major metropolitan areas need to focus on to improve the quality of taxicab service in their community.

A. Branding

A unique and uniform color scheme for each taxicab organization and all vehicles affiliated with the taxicab organization is needed for both the public and the regulatory agency to better hold taxicab organizations accountable. The unique and uniform look for each taxicab organization and each vehicle affiliated with the taxicab organization should include a unique: color scheme, company logo, vehicle identification number on the exterior of the vehicle, company name, telephone number, and taxicab top light. A non-confusing identity for each taxicab vehicle and taxicab organization will assist the public and regulators to identify items such as: which organization to contact for lost items, or who to report for accidents, poor service, overcharges, etc. Further, a unique company name and color scheme, which is not confusingly similar to that of another taxicab organization, aids the public in recognizing when the taxicab organization that they want is present or when the taxicab they have ordered arrives for them. Typically, the taxicab organization that was first in time to implement the unique name and uniform color scheme is first in right to keep the name and color scheme.

B. Driver Standards

(See the taxicab driver standards adopted by TLPA on February 10, 2006. The driver standards can be found on the TLPA web site home page at www.tlpa.org.) While there are many important issues covered in the taxicab driver standards, the “Duty to Transport Orderly Passengers” is one of the most essential issues. This provision is critical to improving the level of taxicab service received in residential neighborhoods and by elderly, frail or disabled passengers. Drivers must respond to passenger service requests made by telephone or by other devices. A literal reading of many taxicab ordinances only requires drivers to serve passengers who personally engage the driver without going through a taxicab dispatch center and has resulted in poorer service being provided in residential neighborhoods, for short trips, and to disadvantaged passengers.

C. Organization Service Standards

Most taxicab ordinances do not establish standards for the delivery of taxicab service. Reasonable and responsible standards are beneficial to assist all parties in understanding the factors and costs associated with taxicab organizations meeting various standards. Given the typical regulated taxicab fare structure, the following standards are reasonable.

a. Response Time for Demand-Response Calls: On average, a taxicab should arrive to pick up a passenger in less than 30 minutes of the passenger calling for service. There are times the taxicab will show up sooner and there are times when due to traffic delays, periods of extraordinary demand, inclement weather, remote pick-up location, etc., the taxicab will not arrive within the targeted time. Therefore, it is reasonable to expect that a taxicab will respond within 25 minutes 90% of the time. In large services areas (such as countywide), the response standard needs to be modified to state that the taxicab will respond within 30 minutes 90% of the time.

b. Response Time for Advance-Reservation Calls: On average, a taxicab should arrive within 10 minutes before or after the scheduled time for the call, when an advance reservation is made the day before the service is needed. There will be times that due to factors beyond the control of the taxicab organization or the driver, the taxicab may be late, therefore it is reasonable to expect the taxicab to be on time (10 minutes before or after the scheduled time) 90% of the time.

c. Lost and Found: Every taxicab organization should adopt a formal process for handling lost and found items.

d. Complaint Resolution: Every taxicab organization should adopt a process for accepting and responding to consumer complaints, which includes having a local manager available to accept calls during normal office hours (9:00am to 5:00pm, Monday through Friday) and who will investigate and respond to the complaining party within five business days.

e. Service Hours: All taxicab organizations must provide taxicab service to the general public 24-hours-per-day, 7-days-per-week, 365-days-per-year.

D. Quality Assurance

Every taxicab organization needs to implement a quality assurance program. Such a program will, at a minimum, include the following:

a. Preventive Maintenance Schedule: For vehicles in the taxicab organization, a preventive maintenance schedule that meets the manufacturer's maintenance recommendations should be implemented and records maintained.

b. Quality Control: A quality control program should be developed and implemented by each taxicab organization that assures that the regulatory requirements of this taxicab ordinance are met.

c. Taxicab Organization Office: Each taxicab organization needs to have a fixed office located in the metropolitan area where a senior manager is based. That office will be on record with the regulatory entity and all correspondence between the regulatory agency and the taxicab organization should be processed through that office.

d. Driver Safety & Training: All taxicab drivers need to receive basic training as a condition for obtaining a taxicab driver permit. The driver training program should include a section on driver safety and defensive driving. The licensing agency should approve a driver training curriculum that is then taught by the agency, an educational entity, and/or one or more taxicab organizations. (For details, see the attached Taxicab Driver Standards Recommended for Metropolitan Areas of Greater Than One Million Population.)

E. Minimum Fleet Size

For a taxicab organization to be able to serve neighborhoods, grocery stores, short trips, persons with disabilities, and provide 24-hour-per-day service, the organization must have enough vehicles to be able to serve all parts of the community simultaneously. The minimum number of taxicabs needed to serve all areas and populations in the licensed service area, as well as satisfy the safety and service standards recommend in this document, will vary, but it is likely to require at least 50 taxicabs.

Additionally, for startup taxicab organizations to show that they have the necessary management and financial resources to successfully provide the level of community-wide service called for by these taxicab company standards, for the first three years of their existence all startup taxicab organizations needs to own the taxicab vehicles operating in their organization.

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This document was produced by:
Taxicab, Limousine & Paratransit Association
3849 Farragut Avenue, Kensington, MD 20895
T: 301-946-5701 F: 301-946-4641
E: info@tlpa.org W: www.tlpa.org

On or before December 1, 2007, TLPA's new mailing address will be:
3200 Tower Oaks Blvd, Suite 220, Rockville, MD 20852