



Traffic and Parking Board's recommendations on the Biennial Review of the Taxicab Industry review.

Project Name:	Biennial Review of the Taxicab Industry
Location:	Citywide
Applicant:	City Manager
Traffic and Parking Board Meeting:	November 17, 2014

Purpose of Application

To review the economic condition of Alexandria's taxicab industry, the adequacy of public service rendered by the industry, and whether any changes to the regulation are necessary or desirable.

Staff Recommendation

1. Maintain the existing number of cabs
2. Remove the two-way radio requirement in 9-12-81(k)
3. Prohibit smoking in cabs
4. Prohibit use of cell phones by drivers while transporting passengers except in emergencies

Staff Reviewers

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Sandra Marks, sandra.marks@alexandriava.gov

DISCUSSION: Staff offers the following discussion on the Traffic and Parking Board's recommendations:

1. The Traffic and Parking Board recommended to the City Manager that only Yellow Cab be granted five new ADA taxicabs and the other requests for additional cabs be denied. Staff is recommending that the existing number of authorized taxicabs remain at 767 and not granting the additional five ADA cabs to Yellow Cab. During the 2014 biennial review the following companies requested increases in the number of taxicabs they were authorized to operate: GoGreen Cab requested an additional 30 taxicabs, King Cab requested an additional 15 taxicabs and Yellow Cab requested an additional 10 cabs, five ADA and five electric. For the past two years the call volume on dispatch taxi service has increased by only 10 percent and the demand for service at the airport has not changed. The small increase over the past two years for taxicab service does not require a change in the number of authorized taxicabs. Of the six authorized taxicab companies only two had a dispatch call volume of over two calls per driver per day. There are also concerns about the impact Transportation Network Companies (TNCs) may have on the market.
2. The Traffic and Parking Board recommended to the City Manager and staff agrees to replace the requirement for two-way radios in section 9-12-81(k) of the City Code with a requirement for wireless dispatch equipment. The use of two-way radios is an outdated mode of dispatching taxicabs. Most modern taxicab companies use computerized wireless dispatching systems employing Global Positioning System (GPS) technology.
3. The Traffic and Parking Board recommended to the City Manager and staff agrees that drivers be banned from smoking in taxicabs even when off duty. Taxicabs are a form of public transportation and operators of other forms of public transportation, such as, buses, trains and aircraft are not permitted to smoke. The ban on smoking was requested by several of the cab companies because if smoking is permitted the aroma lingers in the cab and is offensive to many passengers.
4. The Traffic and Parking Board recommended to the City Manager and staff agrees that drivers should be prohibited from using cell phones when transporting passengers. The ban of cellphone use was requested by several of the cab companies because of the safety implications resulting from distracted driving.

TRAFFIC AND PARKING BOARD ACTION, NOVEMBER 17, 2014:

1. Renewal of existing certificates of public convenience and necessity: Mr. Schuyler made a motion, seconded by Ms. Jones to: 1) renew all of the existing certificates at their present number; 2) approve five (5) new ADA only authorizations for Alexandria Yellow Cab; and, 3) request that staff start tracking the usage of the City's ADA cabs. The motion carried unanimously.
2. Proposed changes to Part II, Title 9, Chapter 12 of the City Code: Mr. Lewis made a motion, seconded by Mr. Cole, to: 1) remove the requirements for two-way radios; 2) Prohibit smoking in taxicabs; and , 3) Prohibit talking on the phone while transporting passengers except for limited duration emergency situations. The motion carried unanimously.
3. Taxicab Fare Rates: Mr. Lewis made a motion, seconded by Mr. Cole, to: 1) Reject staff's recommendations to eliminate the fees charged for animals and for items placed in the taxicab trunk; 2) Direct staff to work with the industry to incorporate better technology; and, 3) Provide clear criteria on the requirements to justify additional authorizations for certificate holders. The motion carried unanimously.

Speakers:

Speaker Name	Comments
Daniel Berhane	Opposed eliminating fees for luggage and animals.
Kyle Summers	Requested 10 new authorizations for Yellow Cab, 5 ADA cabs and 5 all electric cabs.
Ken Aggrey	Supported staff's recommendation.
Daneil Woldegiorgis	Supported ban on smoking and ban on cell phones. Opposed eliminating fees for luggage and animals.
Bernardo Romeue	Opposed eliminating fees for luggage and animals.
Mujahid Ahmad	Requested 30 new authorizations for GoGreen Cab. Supported eliminating two-way radio and ban on cell phone use. Opposed to eliminating luggage fee.
Kenneth Bynum	Supported ban on smoking and ban on cell phones. Opposed eliminating two-way radios and fees for luggage and animals.
Abas Ali Abu	Supported ban on smoking and cell phones. Opposed eliminating luggage charge.
Abdul Karim	Requested 15 new authorizations for King Cab. Supported ban on smoking and cell phones. Opposed eliminating luggage charge and two-way radios.
Chand Dodhy	Supported ban on smoking and cell phones. Opposed to any new authorizations and to eliminating fees for luggage and animals .

TRAFFIC AND PARKING BOARD PUBLIC HEARING

NOVEMBER 17, 2014

DOCKET ITEM: 6

ISSUE: Consideration of the Biennial review and public hearing on conditions within the Alexandria taxicab industry.

APPLICANT: Director of T&ES

LOCATION: Citywide

STAFF RECOMMENDATION: That the Traffic and Parking Board receive the information provided herein and the testimony offered during the public hearing for consideration of conditions within the Alexandria taxicab industry.

Background: City Code Section 9-12-31 requires that the Traffic and Parking Board and City Manager conduct a review of the taxicab industry in Alexandria. As part of this review, the Board is to hold a public hearing to receive testimony from industry representatives and the public as to the economic condition of the industry, the adequacy of public service provided and necessary or desirable changes in the regulation of the industry, including the number of taxicabs authorized for each company.

In consideration of the public testimony and other available information, the Board is to forward its conclusions as to the status of the industry and its recommendations on all matters included in the annual review to the City Manager for consideration in making final determinations on any pending applications or proposals under section 9-12-30.

Discussion: One of the biggest issues facing the Alexandria taxicab industry is the emergence of Transportation Network Providers (TNC). TNCs broker taxi service by connecting people who need rides to private individuals with cars. This is done through a smart phone app under the guise of "ridesharing". In many ways TNCs are a positive influence to the industry by providing much needed competition. They've developed a business model that appeals to a large segment of the population and which actually provides better service than traditional taxicabs. However, TNCs have their down side as they only serve the lucrative markets. This leaves certain segments of the population unserved, such as disabled persons, lower income persons and the elderly. In addition, TNCs currently operate in an unregulated environment with an "*arrest me or get out of my way*" attitude. For example, during the September 28, 2014 U.S. Conference of Mayors meeting in Sacramento, CA, Uber's CEO Travis Kalanick stated that Uber plans to aggressively roll out new ridesharing features without waiting for permission from public agencies. When the State of Virginia issued Uber and Lyft a cease and desist order in June 2014, the two companies completely ignored the order. The cease and desist order has since been lifted and Uber and Lyft have been allowed to operate.

This is a cause for concern for local regulators because there is no way to ensure the public's safety. TNCs have had questionable practices in hiring drivers and, although they claim to do background checks, there is no way to substantiate this claim. The insurance coverage is also questionable. Uber, for example, claims to insure their drivers while the app is on only if the driver's personal insurance does NOT cover the driver. This has the potential to create a litigation issue as insurance companies argue over who pays the claim.

TNCs have had major impacts on the taxi industry in the Cities they operate. At a recent Council of Governments (COG) Taxicab Regulator's meeting, it was mentioned that San Francisco's demand for regular taxi service dropped by 60 percent in the two years since Uber started operations. Washington D.C. reportedly has between 1,500 to 1,800 cabs on any day sitting idle because of lost market share to TNCs and several of the Arlington Taxicab companies have seen losses close to 30 percent. Although TNCs are operating at Reagan National Airport, they are operating as private vehicles and not using the airport taxicab queue. The airport is not reporting a decrease in the number of taxicab pickups, but this is partially attributed to an increase in the number of flights operating from the airport. However, this will most certainly change as TNCs gain market share in the region. TNCs have not yet had a major impact in the Alexandria taxicab market and dispatch call volumes are up by 10.5 percent since the last biennial review. However, staff expects to see greater impacts over the next several years. Much of the focus of this biennial review will be on how to better position the Alexandria taxi industry to compete with TNCs. Taxicabs are a valuable service to the City and this service needs to be preserved.

Credit Card Payments:

In May 2013 the Alexandria City Council passed Ordinance 4810 requiring drivers to accept credit card payments. When this ordinance was passed, there was concern on the impact this requirement would have on taxicab drivers. Staff collected information from the companies and found roughly one third of the taxi trips are paid by credit cards. Drivers are paying between 2.75 percent to 5 percent for transaction fees and the average credit card fare is \$22.00. The bigger dispatch companies require the drivers to use their company processing equipment in the vehicle and charge 5 percent, while drivers of the smaller companies usually elect to use their own processing equipment. The requirement for drivers to accept credit card payments does not appear to be creating an undue burden on the drivers.

Certificates:

Alexandria has issued 21 certificates of public convenience and necessity that authorize the operations of taxicabs in the City of Alexandria. Of these, six are issued to taxicab companies and 15 are issued to individuals (grandfathered certificates). In aggregate, these certificates authorize the operation of 767 taxicabs, all of which are required to maintain affiliation with a taxicab company. Individually-held certificates authorize the operation of one taxicab each or 15 taxicabs total. Collectively, company-held certificates authorize the operation of 752 taxicabs.

Staff believes that the number of Alexandria taxicabs exceeds the demand for service. An oversaturated market restricts driver's ability to earn a living wage. With the introduction of TNCs it is important to keep the taxicab fleet adequately sized because a taxicab fleet that is too small is an open invitation for TNCs to enter the market. However, as the demand for TNCs increase, it's possible that the demand for taxicabs may decrease.

In September 2014, City Council revised the City's taxicab ordinance to eliminate the driver transfer provisions. This will be the first review since 2005 with no driver transfers. City Council revised the ordinance based on the recommendation of the Taxicab Taskforce. This change was implemented to address the July 1, 2012 change to State Code Section 46.2-2067(b) limiting a jurisdiction's ability to reduce the number of cabs authorized for any particular company. Allowing drivers to transfer under the new State code would have required significant backfilling of driver slots vacated by transferring drivers. This would significantly increase the number of cabs in an already oversaturated market.

Findings:

The following is a summary of staff observations regarding current taxicab service, economic condition of the industry and overall industry performance. This information is intended to provide the Board with staff's perspective on current conditions in Alexandria's taxicab industry for consideration along with testimony provided during the public hearing and other information that is available to the Board.

Since the 2012 review the demand for taxi dispatch has increased by 10.5 percent over the two years. By comparison, at the 2012 review the demand for taxi dispatch service increased by 23 percent from 2010. The rate of increase for this review is half that of two years ago. The exact reason for this slower growth is uncertain but is likely market share lost to TNCs.

Four factors were considered to determine if any fare changes are needed; 1) the rate of inflation since the last fare review; 2) the change in gasoline prices; 3) the change in the cost to maintain a vehicle; and, 4) competition in the area.

The Consumer Price Index (CPI) was used to determine the rate of inflation since the last fare review. The CPI measures the price change for a market basket of goods and services from one period to the next and is used as a cost of living index. For this analysis, the Department of Labor, Bureau of Labor Statistics index for all urban consumers was used. In 2012, the last fare review, the CPI was 231.407 and in 2014 the CPI is 237.852. The cost of living increase equates to 2.79 percent over the past two years. For driver's income to keep pace with inflation, their net income must increase by 2.79 percent.

The average cost of a gallon of gasoline based on the Department of Energy's data was \$3.58 for the 12 months preceding the 2012 rate adjustment and \$3.40 for the past 12 months. This represents a 5 percent decrease in the cost of fuel since the last fare adjustment in 2012.

The average trip length and expected fuel economy were used to calculate the impact of gas price increases on a typical taxi trip. The EPA mileage estimates for a 2009 Crown Victoria, a typical taxi vehicle, is 16 miles-per-gallon (mpg). The dispatch data from over 34,000 taxi trips shows the average trip length is 10 miles. The calculation goes as follows:

1) 2012 Trip cost at \$3.58 per gallon

$$\text{Trip cost} = (\text{Trip Miles/Fuel Mileage}) \times (\text{Gas Cost})$$

$$\text{Trip Cost City} = (10 \text{ miles} / 16 \text{ miles/gallon}) \times (\$3.58/\text{Gallon}) = \$2.24$$

2) 2014 Trip cost at \$3.40 per gallon

$$\text{Trip cost} = (10 \text{ miles} / 16 \text{ miles/gallon}) \times (\$3.40/\text{Gallon}) = \$2.13$$

3) Cost Difference

$$\text{Cost Difference} = \$2.13 - \$2.24 = \underline{(\$0.11/\text{Trip})}$$

Every year the AAA publishes a report titled “Your Driving Costs”. This report determines how much it will cost per mile to operate a car for that year. Factors such as fuel, maintenance, tires, insurance, license, registration, taxes, depreciation and finance are all included in the calculation. Although these costs are based on a non-commercial vehicle, they do provide a good indicator of the relative costs to operate a passenger vehicle similar to a taxicab. In 2012 the AAA calculated that the cost to drive a medium size sedan was \$0.59 per mile and in 2014 was \$0.59 per mile. This represents no increase in the operational costs.

	2012 (Last Fare Review)	2014	Change
Consumer Price Index	231.407	237.852	2.79%
Cost of Gasoline	\$3.58	\$3.40	-5%
AAA Driving Costs	\$0.59/mile	\$0.59/mile	0%

The last item considered are the fare rates of surrounding jurisdictions. This serves two purposes, first to make sure that the proposed fares are in line with the rest of the region and second to make sure Alexandria’s taxi service is competitive. Below is a chart showing the fares of the surrounding competing jurisdictions.

Regional Taxicab Fare Rates and Charges

	Alex (Ex)	Arl.	Fairfax	D.C.	Montg.	P.G.	Airport Flyer	UberX
Drop	\$3.00	\$2.75	\$3.25	\$3.25	\$4.00	\$3.00	\$3.50	\$2.00
Mileage	\$2.16/mile	\$2.10	\$2.10	\$2.16	\$2.00	\$1.75	\$2.00	\$1.25*
Waiting	\$24.92/hr	\$22.5	\$21.18	\$35.00	\$28.00	\$22.50	\$22.50	\$15.00
Passengers	\$1.25	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.50	
Suitcase	\$0.50	\$0.50	\$0.50	---	---	---	---	---
Trunk	---	\$2.00	\$2.00	---	---	---	---	---
Groc. Bags	---	---	\$0.25	---	---	---	---	---
Animals	\$2.00	---	\$1.00	---	---	\$1.00	---	---
Snow	\$5.00	---	---	\$15.00	\$2.50	\$3.00	\$2.50	---
Dispatch	---	---	---	\$2.00	---	---	---	---
Trip to Dulles	\$76.05	\$73.77	\$74.23	\$78.30	\$71.64	\$62.12	\$71.14	\$55.00**

*Uber charges \$0.25 per minute/\$15.00 per hour of trip time, not waiting time like regular taxi services

**The \$55.00 trip to Dulles is a flat rate which was advertised on the Uber website

The table below shows the current authorizations for each company.

Current Authorizations

Certificate Number	Company Name	Regular	ADA	Grandfather	Total
34	Alexandria Yellow Cab	271	12	7	290
46	King Cab	51	1	1	53
77	VIP Cab	62	1	1	64
120	White Top	101	7	3	111
130	Alexandria Union Cab	222	2	2	226
140	Go Green	20	0	0	20

**TRAFFIC AND PARKING BOARD PUBLIC HEARING
NOVEMBER 17, 2014**

DOCKET ITEM: 7

ISSUE: Consideration of recommendations on the renewal of existing certificates of public convenience and necessity.

APPLICANT: Director of T&ES

LOCATION: Citywide

STAFF RECOMMENDATION: The Traffic and Parking Board consider and adopt staff's recommendations to the City Manager with regards to the renewal of existing certificates of public convenience and necessity.

Background: A specific consideration for each annual review is the renewal of existing certificates of public convenience and necessity (certificates) and the number of taxicabs that may be affiliated with each certificate holder. Factors to be considered in these determinations are specified in code section 9-12-31, and include the certificate holder's record of compliance with code requirements for certificate holders, the demonstrated need on a company-by-company basis for a sufficient number of affiliated taxicabs to provide satisfactory public service and ensure adequate dispatch service.

Discussion: There are 21 certificates of public convenience and necessity that authorize the operations of taxicabs in the City of Alexandria. Of these, six are issued to taxicab companies and 15 are issued to individuals (grandfathered certificates). In aggregate, these certificates authorize the operation of 767 taxicabs, all of which are required to maintain affiliation with a taxicab company. Individually-held certificates authorize the operation of one taxicab each or 15 taxicabs total. Collectively, company-held certificates authorize the operation of 752 taxicabs.

The number of Alexandria taxicabs exceeds the demand for service. This large number of cabs restricts driver's ability to earn a living. This issue is further compounded by the introduction of Transportation Network Providers (TNC) into the market. Although TNCs have not had a significant impact on the Alexandria market, they have had major impacts on the Arlington and Washington D.C. markets. Several of the Arlington taxicab companies are reporting near 30 percent reductions in business resulting from TNCs penetration into the market. D.C. is reporting that on any given day over 1,000 cabs sit idle. TNCs are expected to have a greater impact on the Alexandria market in the years to come.

A summary of the requests to renew certificates of public convenience and necessity for 2015 is provided below.

Renewal of Individually-Held (Grandfathered) Certificates

Individually held certificates are routinely renewed each year as long as the holder intends to remain active in the industry by operating a taxicab at least 50 percent of the year. Of the 17

certificate holders, two have retired and the remaining 15 plan to remain active in the taxicab industry. Staff recommends renewal of these 15 individual certificates as requested.

Renewal and Amendment of Company-Held Certificates

Requests to renew and amend (increase or decrease the number of authorized taxicabs) company-held certificates require consideration of a broader range of factors.

Applications to renew company-held certificates were received from six existing taxicab companies. The current number of authorized taxicabs for each company and the requested amendments of these certificates are summarized in the following table.

Company	Regular	ADA	Grandfather	Total	Requested Amendment
Alex. Yellow Cab	271	12	6	289	+10
King Cab	51	2	3	56	+15
VIP Cab	62	2	1	65	No Change
White Top	101	6	3	110	No Change
Alex. Union Cab	223	2	2	227	No Change
Go Green	20	0	0	20	+30

Based on the renewal applications, findings of the taxi industry survey and other relevant information, staff's comments and recommendations on these renewal requests follow.

GoGreen Cab (Certificate Number 140)

GoGreen Cab requests renewal of its certificate with the current 20 authorized taxicabs plus 30 new authorizations.

The results of this year's industry review show that GoGreen Cab has a dispatch level of 0.32 dispatch calls per day per driver. GoGreen is requesting 30 additional authorizations which will bring the total authorizations to 50 taxicabs. GoGreen believes that their current fleet size is not a large enough to provide a viable dispatch service and would like to enlarge their fleet so that they can make investments in technology.

Staff recommends renewing GoGreen's certificate with the current 20 authorizations. Staff recommends against granting any new authorizations because of the low dispatch rate. GoGreen has not provided any plans or rationale for this request other than they need more cabs to support a viable dispatch service.

Alexandria Yellow Cab (Certificate Number 34)

Alexandria Yellow Cab requests renewal of its certificate with the current 283 authorized taxicabs plus 10 new authorizations.

The results of this year's industry review show that Yellow cab is the primary provider of dispatch service in Alexandria, serving 85 percent of all dispatch trips in the city. Yellow's dispatch service level is 8.5 dispatch trips per cab per day. This is significantly higher than any other Alexandria taxicab company. By contrast, in 2012 Yellow had a dispatch level of 7.4 dispatch trips per cab per day and in 2010 Yellow had a dispatch level of 5.6 dispatch trips per cab per day.

Alexandria Yellow Cab (AYC) is requesting 10 new authorizations, 5 ADA cabs and 5 electric only cabs. Yellow is requesting the additional ADA cabs because they are having difficulty servicing the demand for ADA service. The Alexandria City Public Schools (ACPS) has been relying on Alexandria Yellow Cab to transport disabled students to and from school. AYC is requesting 5 all electric vehicles because they believe they can tap into the upscale environmentally conscious market. EnviroCab in Arlington unsuccessfully attempted to operate and all electric cab two years ago with a Nissan Leaf. The problem they encountered was the limited range and long charging time for the battery. On more than one occasion the cab was not able to make the return trip from Dulles Airport because the battery ran out. AYC believes they have solved this problem by using the Telsa electric vehicle. The Telsa has a range of over 200 miles on a charge and has a much quicker charge time than the Nissan Leaf. The Telsa cost \$70,000 to purchase. Yellow plans to hire special drivers and market the electric vehicle to an upscale consumer market.

Staff believes that renewal of Yellow Cab's certificate will serve the public interest and recommends that it be renewed with the present 283 authorized taxicabs. Staff recommends against granting the 5 ADA authorizations and 5 all electric authorizations requested. Staff believes that AYC can accommodate ADA service requests by converting several of their regular cabs to ADA cabs as drivers leave the market.

King Cab Company (Certificate Number 46)

King Cab requests renewal of its certificate with the current 52 authorized taxicabs plus 15 new authorizations.

The results of this year's industry review show that King Cab's dispatch service level is 1.7 dispatch trips per cab per day. This is up from the 1.37 dispatch trips per cab per day at the last review two years ago.

Staff believes that renewal of King Cab's certificate will serve the public interest and recommends that it be renewed at the current 52 authorizations. Staff recommends against granting any new authorizations because King has not provided a to plan to expand dispatch service with these new certificates.

VIP Cab Company (Certificate Number 77)

VIP Cab Company requests renewal of its certificate with the current 62 authorizations.

The results of this year's industry review show that VIP Cab is currently serving 1.8 dispatch trips per cab per day.

Staff believes that renewal of VIP Cab's certificate will serve the public interest and recommends that it be renewed at the current 62 authorizations.

White Top Cab Company (Certificate Number 120)

White Top Cab Company requests renewal of its certificate with the current 108 authorizations.

The results of this year's industry review show that White Top Cab is currently serving 4.9 dispatch trips per cab per day.

Staff believes that renewal of White Top Cab's certificate will serve the public interest and recommends that it be renewed at the current 108 authorizations.

Union Taxicab Cooperative (Certificate Number 130)

Union Taxicab requests renewal of its certificate with the current 224 authorized taxicabs.

The results of this year's industry review show that Union Taxicab is currently serving 0.52 dispatch trips per cab per day.

Staff believes that renewal of Union Taxicab Cooperative's certificate will serve the public interest and recommends that it be renewed at the current 224 authorizations.

A summary of staff's recommendations are contained in the table below.

Company	Dispatch Calls per Driver	Current Authorized Taxicabs	Recommended Changes	Total Recommended Authorizations
Alexandria Yellow Cab	8.5	289	0	289
King Cab	1.7	56	0	56
VIP Cab	1.8	65	0	65
White Top Cab	3.5	110	0	110
Alexandria Union Cab	<1	227	0	227
GoGreen Cab	<1	20	0	20

**TRAFFIC AND PARKING BOARD PUBLIC HEARING
NOVEMBER 17, 2014**

DOCKET ITEM: 8

ISSUE: Consideration of Staff recommendations on the proposed changes to Part II, Title 9, Chapter 12 of the City Code.

APPLICANT: Director of T&ES

LOCATION: Citywide

STAFF RECOMMENDATION: That the Traffic and Parking Board consider and adopt recommendations to the City Manager with regard to:

1. 9-12-81(k) of the City Code for two-way radios be removed and replaced with a requirement for wireless dispatch equipment
2. No smoking in the cab
3. No talking on the phone while transporting passengers

Background: A consideration for each biennial review is the review of whether any changes to the regulation of the industry are necessary or desirable.

Discussion: Staff is proposing a number of changes to the code to improve service delivery. A discussion of the proposed changes follows:

1. **Replace the requirement for two-way radios:** The requirement for two-way radios is out dated and this section of the code needs to be revised to reflect the current state of the practice. Most companies now use computer dispatch systems and no longer use two-way radios to dispatch and communicate with drivers. The two-way radio requirement costs companies and drivers unnecessary money to maintain. Staff recommends replacing this requirement with the following:

Every taxicab shall be equipped with wireless dispatching equipment, properly installed and kept in working order at all times. Each unit shall have the ability to conduct two-way communications between central dispatch and the equipment in the taxicab.

2. **No Driver Smoking in Cabs:** The industry requested that drivers not be allowed to smoke in cabs. Many passengers find the odor of cigarette smoke offensive. Although most drivers do not smoke in the cab while transporting passengers, they often smoke between trips and the odor then lingers in the taxi. Almost all other forms of public transportation do not allow smoking and it would be consistent for the taxi industry to also prohibit smoking.

3. No Talking on the Cell Phone While Transporting Passengers: The industry requested that drivers be prohibited from talking on their cell phone while transporting passengers. The driver should be paying full attention to driving the taxicab safely and the passenger's concerns.

**TRAFFIC AND PARKING BOARD PUBLIC HEARING
NOVEMBER 17, 2014**

DOCKET ITEM: 9

ISSUE: Consideration of Staff recommendations on the proposed taxicab fare rate change.

APPLICANT: Director of T&ES

LOCATION: Citywide

STAFF RECOMMENDATION: That the Traffic and Parking Board consider and adopt recommendations to the City Manager with regard to taxicab fares and the elimination of the fees charged for animals and items placed in the taxicab trunk.

Background: A specific consideration for each annual review is the review of existing taxicab fares. Factors to be considered in these determinations are specified in code section 9-12-31, and include the ability of current drivers to earn a living wage. Staff believes that the industry would benefit if the fare structure were simplified. With all the add-ons allowed under the current structure, customers can become overwhelmed and confused as to the legitimacy of the add-ons. Many of the drivers don't charge for extras because of the confusion factor and they believe they'll make the cost up in a higher tip.

Discussion: The taxicab fare rates were last changed in January 2012. Based on current economic conditions staff does not believe a fare increase is justified. Any adjustments to the fare structure should be aimed at simplifying the structure to improve customer understanding and improving competitiveness with TNCs. Four factors were considered when evaluating the proposed fare changes; 1) the rate of inflation since the last fare review; 2) the change in gasoline prices; 3) the change in the cost to maintain a vehicle; and, 4) competition in the area.

Rate of Inflation:

The Consumer Price Index (CPI) was used to determine the rate of inflation since the last fare review. The CPI measures the price change for a market basket of goods and services from one period to the next and is used as a cost of living index. For this analysis the Department of Labor, Bureau of Labor Statistics index for all urban consumers was used. In 2012, the last fare review, the CPI was 231.407 and in 2014 the CPI is 237.852. The cost of living increase equates to 2.79 percent over the past two years. For driver's income to keep pace with inflation, their net income must increase by 2.79 percent.

Change in Gasoline Prices:

The average cost of a gallon of gasoline based on the Department of Energy's data was \$3.58 for the 12 months preceding the 2012 rate adjustment and \$3.40 for the past 12 months. This represents a 5 percent decrease in the cost of fuel since the last fare adjustment in 2012.

The average trip length and expected fuel economy were used to calculate the impact of gas price increases on a typical taxi trip. The EPA mileage estimates for a 2009 Crown Victoria, a typical

taxi vehicle, is 16 miles-per-gallon (mpg). The dispatch data from over 34,000 taxi trips shows the average trip length is 10 miles. The calculation goes as follows:

4) 2012 Trip cost at \$3.58 per gallon

$$\text{Trip cost} = (\text{Trip Miles/Fuel Mileage}) \times (\text{Gas Cost})$$

$$\text{Trip Cost City} = (10 \text{ miles}/16 \text{ miles/gallon}) \times (\$3.58/\text{Gallon}) = \$2.24$$

5) 2014 Trip cost at \$3.40 per gallon

$$\text{Trip cost} = (10 \text{ miles}/16 \text{ miles/gallon}) \times (\$3.40/\text{Gallon}) = \$2.13$$

6) Cost Difference

$$\text{Cost Difference} = \$2.13 - \$2.24 = \underline{(\$0.11/\text{Trip})}$$

Cost of Vehicle Maintenance:

Every year the AAA publishes a report titled "Your Driving Costs". This report determines how much it will cost per mile to operate a car for that year. Factors such as fuel, maintenance, tires, insurance, license, registration, taxes, depreciation and finance are all included in the calculation. Although these costs are based on a non-commercial vehicle, they do provide a good indicator of the relative costs to operate a passenger vehicle similar to a taxicab. In 2012 the AAA calculated that the cost to drive a medium size sedan was \$0.59 per mile and in 2014 it is \$0.59 per mile. This represents no change in the operational costs.

	2012 (Last Fare Review)	2014	Change
Consumer Price Index	231.407	237.852	2.79%
Cost of Gasoline	\$3.58	\$3.40	-5%
AAA Driving Costs	\$0.59/mile	\$0.59/mile	0%

Area Competition:

The last item considered are the fare rates of surrounding jurisdictions. This serves two purposes, first to make sure that the proposed fares are in line with the rest of the region and second to make sure Alexandria's taxi service is competitive. Below is a chart showing the fares of the surrounding competing jurisdictions.

Regional Taxicab Fare Rates and Charges 2014

	Alex (Proposed)	Alex (Existing)	Arl	Fairfax	D.C.	Montg.	Airport Flyer	UberX
Drop	\$3.00	\$3.00	\$2.75	\$3.25	\$3.25	\$4.00	\$3.50	\$2.00
Mileage	\$2.16/mile	\$2.16	\$2.10	\$2.10	\$2.16	\$2.00	\$2.00	\$1.25
Waiting	\$24.92/hr	\$24.92	\$22.50	\$21.18	\$35.00	\$28.00	\$22.50	\$15.00*
Passengers	---	\$1.25	\$1.00	\$1.00	\$1.00	\$1.00	\$1.50	
Suitcase	---	\$0.50	\$0.50	\$0.50	---	---	---	---
Trunk	---	---	\$2.00	\$2.00	---	---	---	---
Groc. Bags	---	---	---	\$0.25	---	---	---	---
Animals	---	\$2.00	---	\$1.00	---	---	---	---
Snow	\$5.00	\$5.00	---	---	\$15.00	\$2.50	\$2.50	---
Dispatch	---	---	---	---	\$2.00	---	---	---

* Flat rate