

Memorandum

To: Arlington County Board **Date:** October 14, 2014

From: Barbara M. Donnellan, County Manager *Barbara M. Donnellan*

Subject: 2014 Taxicab Certificate Allocation Report

County Manager's Recommendation

I recommend a total of **40 new wheelchair-accessible taxicabs** to be authorized to operate in Arlington County. Currently, a total of 787 taxicabs are authorized to operate in Arlington, of which 37 are wheelchair-accessible vehicles. As a result, the total number of taxicabs in Arlington County will be 827, of which 77 will be wheelchair-accessible. At this time, I am **not recommending any additional certificates for standard or hybrid-fueled taxicabs.**

The 40 new wheelchair-accessible vehicles are recommended to be allocated to:

Applicant	No. Requested Wheelchair-Accessible Taxicabs	Recommended Wheelchair-Accessible Taxicabs
Blue Top Cab	15	10
All Access Taxi	60	30
Total	75	40

The remainder of this report provides the rationale in support of this recommendation.

Certificate Allocation Process

According to Section 25.1-4 of the Taxicab Ordinance (Chapter 25.1 of the County Code) the number of Taxicab Certificates is to be determined by the County Board biennially in even-numbered years. The determination process for the current year began July 1, 2014, with the *2014 Certificate Determination Report* issued by me. Based on all the information evaluated at that time, I recommended that there be no increase in the current number of taxicabs authorized by certificates.

Although I initially determined that no new taxicabs were needed, persons or companies interested in applying for certificates were provided the period between July 1 and September 1,

2014 to present applications to the County for additional taxicabs. Applicants were instructed to present justification, such as business demand or market innovation, as to why additional taxicabs for their company are warranted.

This report presents recommendations to the County Board for new taxicabs allocated to each applicant. The certificate allocation process for 2014 is as following:

- July 1– September 1, 2014: Applications could be submitted by current taxicab certificate holders requesting additional taxicabs as well by persons or entities that do not at this time hold a certificate.
- At the September 4, 2014 Transportation Commission meeting, all applicants had the opportunity to present their case.
- By October 15th: The County Manager is required to provide a recommendation to the County Board regarding the number of additional taxicabs (to be authorized by Certificates) allocated to each applicant.
- At the October 30, 2014 meeting, the Transportation Commission is scheduled to provide allocation recommendations to the County Board.
- December 2014: The County Board will hold a public hearing and take action on the applications at its December meeting.

Factors to Consider

According to Section 25.1-4 of the Taxicab Ordinance, in making my determination regarding the allocation of taxicabs to each applicant, in no particular order, the following factors were considered, and such other relevant information as deemed appropriate, including the effect of the approval of the application(s) on Taxicab Service in Arlington County:

1. Whether the applicant will offer hail and taxi stand service;
2. Whether the applicant will offer telephone-reservation and dispatch service;
3. How many of the additional taxicabs will be wheelchair-accessible vehicles;
4. To what extent customers may pay using credit or debit cards;
5. Fuel efficiency of proposed additional taxicabs including whether the additional Taxicabs will be hybrid or vehicles not primarily powered by gasoline or diesel fuel;
6. The applicant's recent vehicle productivity, if any, as evidenced by paid taxicab trips per authorized taxicab per day;
7. The applicant's recent vehicle efficiency, if any, as evidenced by percent of total miles travelled for which passengers travel;
8. The days and hours for which service will be available;
9. The applicant's recent customer-service record, if any, as evidenced by the scarcity of complaints per authorized taxicab;

10. The applicant's intended fleet sustainability, as evidenced by the current (if any) and proposed fleet fuel-efficiency ratings;
11. Competition within the industry including the number of taxicabs that the applicant(s) would be authorized, should the number applied for be granted, relative to the total number of taxicabs authorized under all certificates, and the effect thereof on the public convenience and welfare; and
12. Proposed innovation to taxicab service in Arlington County.

In addition to these factors, County staff established additional expectations to be addressed by applicants. These expectations are intended to protect the health, safety and welfare of the traveling public, improve the drivers' profession and maintain competition within the industry. They are as follows:

1. The applicant should demonstrate its sound financial condition and a well-developed plan for operation of its business.
2. The applicant should demonstrate its ability to accept and guarantee a customer ride reservation by either telephone, text message, computer application, or e-mail. The applicant should provide a mechanism to alert a customer of a significant delay.
3. The applicant should demonstrate its ability to provide incentives or other mechanisms to address the need for more cabs during the early weekday morning and late weekend night peak hours.
4. The applicant should demonstrate that its management agrees to treat drivers fairly, including outlining an internal appeals process for disciplinary actions undertaken by the applicant against its drivers.
5. The applicant should demonstrate that its management will provide drivers with adequate training and support to ensure that customers receive high-quality customer service. High-quality service involves courtesy and attention to customers' needs, as well as cleanliness, timeliness, safety, and knowledge of local streets.
6. The applicant should demonstrate that it will plan for a majority of the cabs in its fleet to be owned by their operators. The applicant should provide information regarding the number of driver-owned and driver-leased vehicles in its fleet and the dues associated with each type of vehicle (driver-owned and driver-leased).
7. The applicant should demonstrate its ability to accept credit & debit cards for payment for all rides.
8. The applicant should demonstrate its ability to track and record vehicles' service by both taximeters and GPS. Also, the applicant should demonstrate its ability and willingness to share this electronic data or manifests with County staff.
9. The applicant should indicate its willingness to cooperate with County staff on matters such as data collection, information distribution, driver testing and scheduling of vehicle inspections.
10. The applicant should demonstrate its ability to provide a fleet that includes energy-efficient vehicles, vehicles with seating for four passengers and ample luggage space, and wheelchair-accessible vehicles.

Based on the information provided in the *2014 Certificate Determination Report* issued on July 1, 2014 which recommended no increases in the current number of taxicabs, all applicants were required to state relevant facts, other than those determined in the report, that would justify an award of additional certificates.

Current Certificate Number and Applications Received

There are currently 787 taxicabs in Arlington County, which are operated by seven (7) certificate holders. The taxicab industry fleet includes 399 hybrid-fueled sedans (53% of the total non-wheelchair vehicles) and 37 wheelchair-accessible vans (4.7% of the entire fleet). There are five companies that provide dispatch service with a total of 715 taxicabs (91% of the entire fleet).

Table 1 provides the current distribution of taxicab vehicles by company.

Table 1. Current Number of Taxicabs by Company

Company / Certificate Holder	Number of Taxicabs	Hybrid	Wheelchair
Red Top Cab*	355	77	28
Blue Top Cab*	171	145	9
Arlington Yellow Cab*	100	66	-
enviroCAB*	50	50	-
Friendly Cab*	39	36	-
Crown Cab	37	19	-
Hess Cab	35	6	-
Total	787	399	37

*Taxicab companies that provide dispatch service

Three applications were submitted during the application period. **Table 2** shows the applicants received. Of the 115 total vehicles requested, 80 would be wheelchair-accessible vans and the other 35 would be hybrid-fueled standard vehicles.

Table 2. Applications Received

Applicant	No. of Standard Vehicles	No. of Wheelchair Vehicles	Total request
Blue Top Cab	10	15	25
enviroCAB	25	5	30
All Access Taxi ¹	-	60	60
Total	35	80	115

¹Proposed new company

Allocation Process Review & Findings

Since the *2014 Taxicab Certificate Determination Report* provided a summary of data and information that supported my recommendation for no additional taxicabs, the County requested all companies applying for certificates to present relevant facts indicating the reasons the applicant contends that market changes, industry performance, certificate-holder performance, competition, innovation and other specified factors other than those determined by the report justify additional taxicab certificates.

County staff conducted a thorough review of the information provided in the three submitted applications. As part of that review, the following entities were contacted: Fairfax County, City of Alexandria, Metropolitan Washington Airports Authority, Arlington County Fire Department, Arlington County Schools, Arlington County Police Department and the Hailo Company which

offers a taxi app. In addition, staff met with the Accessibility Subcommittee of the Transit Advisory Committee, and the Disability and Transportation Commissions to discuss the need for additional wheelchair-accessible and standard taxicabs. Also, staff has been a participant of the Virginia Department of Motor Vehicles (DMV) ongoing study regarding Transportation Network Companies (TNCs).

Demand for Wheelchair-Accessible Vehicles

Staff considered new information from various stakeholders regarding the difficulties for persons with disabilities to get a wheelchair-accessible taxicab on short notice or without a scheduled time. The bulk of wheelchair capacity currently being absorbed by contracted trips are with LogistiCare, Arlington STAR and MetroAccess which leaves little additional capacity to address individual requests.

- **LogistiCare** provides non-emergency transportation to its contractor network through the Virginia Department of Medical Assistance Services, using both dedicated vehicles and taxis. In recent years, their number of dedicated vehicles has decreased, resulting in a substantial increase in the number of taxicab trips.
- **Arlington STAR** specializes in paratransit for Arlington residents and uses taxis to provide half of its rides.
- **MetroAccess** is the region wide paratransit service established under the American with Disabilities Act (ADA) provisions. MetroAccess has dedicated vehicles but uses taxis when they cannot fit a ride request in their schedule.

Arlington County is a prime location for people with disabilities to reside, including employees of the federal government, due to the accessibility of walkways, metrorail, and local bus services as well as the quality of local paratransit services. As a reference, STAR and MetroAccess ended Fiscal Year 2012 with 1,222 registrants in Arlington. In FY 2014 (ending June 30, 2014), STAR and MetroAccess ended with 1,538 registrants – a 26% increase over two years.

Currently only two companies, Red Top with 28 wheelchair-accessible vehicles and Blue Top with 9 wheelchair-accessible vehicles, offer wheelchair-accessible taxis in Arlington County. These two vendors require drivers of accessible taxicabs to complete training in disability sensitivity, passenger assistance and securement, and wheelchair securement and possess a strong taxi dispatch capability.

Service Agreements and Other Programs

Arlington Public Schools (APS) also has contracts with taxicab companies to provide transportation options for children with special needs. APS projects that demand for taxis will increase as school enrollment continues to rise. During this past spring, they had an increase of children needing to be transported by taxicabs. For the most part, between the two companies, APS was able to secure a taxicab when needed.

The Arlington County Fire Department created a pilot program for the Advanced Practice Paramedics (APP's). This program uses taxicabs to transport people with non-life threatening emergency service to medical facilities, therefore freeing up ambulances. The initial pilot ran in August and their transportation to hospitals via ambulance dropped between 10-20%. They are going to restart the program in the next few months. They are planning this time to run a three-month pilot with two APP's versus the one APP used for the initial pilot. At this point, it is difficult

for them to forecast taxicab use. However, it is anticipated that there will be an increased need based on the successful experience of the first pilot.

Stakeholder Input

During their September meeting, members of the Accessibility Subcommittee of the Transit Advisory Commission expressed that the low level of taxi complaints reported in the *2014 Certificate Determination Report* was not a meaningful measure to determine the amount of accessible taxis needed. Since taxi dispatchers are informing callers that a three hour wait is required for an accessible taxicab ride, customers are unlikely to complain to the County or request a same-day accessible taxi trip in the future.

During the Transportation Commission meeting, held on September 4, 2014, a few speakers mentioned the waiting times that they have to endure when they request an accessible vehicle. A speaker from Metropolitan Washington Airport Authority described hardships that passengers in wheelchairs go through to get inside a standard taxicab at National Airport.

Staff received numerous letters of support for the need of more wheelchair-accessible taxicab vehicles from: the ENDependence Center of Northern Virginia, the American Association of People with Disabilities, the United Spinal Association and from a consumer advocate.

Wait-Times

County staff has also reviewed information regarding the number of complaints filed with STAR for late pick-ups by taxicabs of clients needing wheelchair-accessible service. **Table 3** provides information by reporting period between March 2011 and June 2014. Late pickups have reached new levels since March 2014.

Table 3: Late Pickups by Taxis of STAR clients

Reporting Period	Late Pickup - Total
April - June 2014	23
March - May 2014	22
Dec 2013 - Feb 2014	15
Sept - Nov 2013	18
June - Aug 2013	12
March - May 2013	4
Dec 2012 - Feb 2013	10
Sept - Nov 2012	13
June - Aug 2012	19
March - May 2012	14
Dec 2011 - Feb 2012	10
Sept - Nov 2011	10
June - Aug 2011	7
March - May 2011	19

Other Factors

It is important to note that competition from Transportation Network Companies (TNCs), such as UberX and Lyft, have added uncertainty to the taxi industry. The taxicab industry has not only been losing customers, but there is also a shortage of drivers that are seeking to work for TNCs. It is important to note that to date, TNCs do not offer wheelchair-accessible transportation and they do not have any restriction as how many vehicles to add to the market. Arlington has been a strong supporter in giving residents and visitors a full range of transportation options to improve their quality of life.

Findings

1. **Wheelchair Accessible Vehicles.** As a result, staff concluded from the information gathered that there is a demand for additional wheelchair-accessible vehicles to address the excessive wait times for wheelchair-accessible taxis, fulfill contracts and agreements and provide people with disabilities greater ability and options to request a last minute taxicab trip for either business or other reasons.
2. **Standard Hybrid Vehicles.** Staff also found no evidence necessitating additional standard vehicles. The information contained in the applications did not provide sufficient documentation indicating a substantial increase in taxicab demand by consumers at this time.

Hence, while the information provided in the *2014 Taxicab Certificate Determination* Report has not changed, staff considered new information from stakeholders regarding excessive wait times for wheelchair-accessible taxis, fulfilling existing contracts and new agreements and providing people with disabilities greater ability to spontaneously make a taxi trip. Therefore, these findings are based on information collected during the allocation review process.

Certificate Allocation Recommendation

Selection from the three applications was made in the interest of serving the public health, safety and welfare and in rewarding those applicant companies that are seeking to increase the overall satisfaction to all of the traveling public while increasing ridership. **Table 4** shows my recommendation of 40 new wheelchair-accessible taxicabs in Arlington.

Table 4. Allocation Recommendation for Wheelchair Accessible Taxicabs

Applicant	No. Requested Wheelchair-Accessible Taxicabs	Recommended Wheelchair-Accessible Taxicabs
Blue Top Cab	15	10
All Access Taxi	60	30
Total	75	40

Blue Top Cab

In the past year, Blue Top Cab has signed contracts with Arlington Public Schools, LogistiCare, the Department of Human Services (DHS), and recently signed an agreement with Arlington County Fire Department to run their pilot program. The recommended additional taxicabs would

provide wheelchair-accessible vehicles to support all of their existing and new contracts. Blue Top is an existing dispatch company that is currently in talks with Hailo, a taxi-dispatch smartphone application company, to provide this service for its drivers and customers. This app will provide passengers with the capability of requesting and paying for a taxicab, either a wheelchair-accessible van or standard sedan. The availability of this app is anticipated to increase the demand for Blue Top Cab trips.

An added benefit of awarding certificates to Blue Top is to ensure that customers and contracts using wheelchairs have a greater choice of vendors. Additional accessible taxis will improve the overall availability of wheelchair-accessible vehicles and should improve the on-time performance of all providers of taxi rides to wheelchair users in Arlington County.

Of the two applicants for new certificates currently operating in Arlington County, Blue Top Cab is the only one that has reported a recent growth (21%) in its dispatch service. **Table 5**, which was compiled for the *2014 Certificate Determination Report*, details the change during the 2011-2013 period.

Table 5: Dispatch Taxi Trip Comparison (2011-2013)

	2011	2012	2013	Difference	% Change
Blue Top Cab	429,498	504,584	519,846	90,348	21.0%
enviroCAB	68,364	51,724*	47,958	-20,406	-29.8%
Friendly Cab	**	**	**	N/A	N/A
Red Top Cab	1,898,160	1,917,142	1,897,508	-652	0.0%
Arlington Yellow	153,006	142,296	111,702	-41,304	-27.0%
Total	2,549,028	2,615,746	2,577,014	27,986	1.1%

Source: Arlington County Dispatch Taxicab Certificate Holders

* enviroCAB had a power outage and did not collect data for two weeks

** Friendly Cab Company started adding the equipment necessary to track this information in 2013

All Access Taxi

All Access Taxi is a new company making its first application for taxicab certificates. They are proposing a 100% wheelchair-accessible vehicle fleet. This is an opportunity for the County to have a company committed entirely to provide mobility to people with disabilities under current market conditions. They are presently working with the community, health services, businesses such as hotels and airports to increase the demand for taxicab usage. Staff has received several letters of support for this company claiming a strong need for their services. The most notable of the numerous improvements proposed by All Access Taxi are:

1. Addressing the need for persons with disabilities to spontaneously obtain a ride.
2. Providing people with disabilities, seniors and the traveling public at large with more choices in terms of being able to request a vehicle through several apps - including Hailo and their own app among others - or phone dispatch as well as being able to pay with either credit cards or cash.
3. Providing driver benefits with low stand dues that are fixed for three years, financing options through a local bank and reduced vehicle maintenance costs through partnerships with garages and suppliers.

EnviroCAB

The information provided in enviroCAB's application did not provide sufficient documentation showing a demand for wheelchair accessible vehicles at this time.

Negative Impacts

Staff has also considered the potential negative impacts of adding additional wheelchair taxicabs to the industry. The following are considered to be the most significant impacts:

1. **Reduction of existing drivers' business/incomes.** The addition of 40 new wheelchair taxicabs to the Arlington fleet could have a negative effect upon the existing taxi drivers' ability to earn their living. This is because when accessible vehicles are not being used to transport persons with disabilities, they are used to transport all passengers. It is uncertain how much the size of the overall taxi consumer market would increase with the presence of additional accessible taxis and whether that market increase could offset the additional taxicabs.
2. **Ability to find drivers.** Given the TNC's attractiveness to drivers, taxi companies could be challenged to find qualified drivers to operate all the new wheelchair accessible taxicabs. The recommended companies are proposing relatively low stand dues (what drivers pay to operate under a company) which might help attract drivers.
3. **Investment costs.** There is a substantial initial investment by drivers to purchase a wheelchair-accessible van as they are more costly than standard or hybrid sedans. While both companies seem willing to assist qualified drivers with vehicle financing the greater cost may prove to be a substantial burden if actual usage volume turns out to be lower than anticipated.
4. **Wheelchair-Accessible Vans** have higher operating costs, lower reliability and are considered by some passengers to be less comfortable than sedans. Therefore, it is best to try to match their supply to the actual demand.

Along with these potential impacts, there is currently a great deal of uncertainty in the taxicab industry resulting from TNCs. Currently, it is estimated that TNC services may be attracting approximately 15% to 20% of trips that had formerly been carried by taxicabs. It is unclear if or how that effect may continue in the future as the regulatory system, taxi companies and consumers adjust to the new travel options. It is not desirable to add new vehicles to the taxi fleet if a drop in taxi utilization due to TNCs is resulting in existing taxicabs being idled.

Conclusion

County staff received three applications for new taxicab certificates during the July 1 to September 1, 2014 period. Based on the information gathered, staff was able to identify and provide a recommendation with the primary objective to protect the health, safety and welfare of the travelling public.

Staff looked at the various options from not adding any new taxicabs at this time to approving all the vehicles requested by the three companies. It is important to note that it is hard to find a balance between the likely loss of drivers' income due to reduced business and improved transportation options for people with disabilities.

In the case of Blue Top Cab, staff considered the contracts and agreements discussed and determined that ten additional wheelchair vehicles were needed to meet the increased demand without requiring standard vehicles to subsidize those wheelchair accessible taxicabs. Also, the additional wheelchair vehicles should improve the on-time performance of all contracts and agreements currently being performed by all wheelchair vehicle providers.

In the case of All Access Taxi, staff considered the viability of a new company with a limited vehicle fleet. Staff recognizes the investment a new company will have to make to start operations is high and if needed, other mechanisms, other than through Arlington County certificate process, could be pursued. It is important to note, that staff believes there will be challenges to recruit professional drivers and determines that the additional supply of taxicabs will grow slowly.

However, while staff is concerned about the potential negative impacts of adding too many taxicab vehicles to the current market, it recognizes that accessible vehicles are an important and specialized part of the market, and the increase is backed by the letters of support. The strong community support along with the County's enhanced communications with the disabled community weighed in the recommendation.

Recommendation

I recommend that certificates be awarded for a total of 40 new wheelchair-accessible taxis, and that they should be allocated as follows:

- 10 taxicabs for Blue Top Cab to increase its wheelchair- accessible taxicab fleet to 19 vehicles; and
- 30 wheelchair-accessible taxicabs to permit All Access Taxi to start operations.

The proposed increase in the number of taxicabs authorized will bring the total number of taxicabs operating in Arlington to 827. The additional 40 wheelchair-accessible cabs will increase the percentage of accessible-vehicles in the Arlington taxicab fleet from 4.7% to 9.3% (from 37 to 77), more than doubling the existing amount. This will expand the Arlington's taxicab industry's ability to provide more travel options for persons with disabilities and seniors.

This expansion comes along with improvements in electronic dispatch ability for consumers while maintaining the options for telephone dispatch, cabstands and street hails. Staff believes the proposed service enhancements will help to improve the overall customer satisfaction in riding taxicabs and ultimately increase the business demand for taxicab drivers.