

# Memorandum

To: Members of the Arlington County Board

Date: October 14, 2016

From: Mark Schwartz, County Manager 

Subject: 2016 Taxicab Certificate Allocation Report

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## County Manager's Recommendation

I recommend that no additional taxicabs, including wheelchair-accessible vehicles, be authorized this year. Staff's quantitative evaluation in the [2016 Taxicab Certificate Determination Report](#), dated July 1, 2016, did not find an increase in taxicab service demand that would warrant additional vehicles. In addition, there were no applications received for new or additional taxicabs during this year's application period between July 1 and September 1, 2016.

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

## Taxicab 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, 2016, with issuance of the [2016 Taxicab Certificate Determination Report](#). 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 in Arlington.

Although I initially determined that no new taxicabs were needed, the County code provides persons or companies interested in applying for certificates to do so during the July 1 to September 1, 2016 time period. Applicants were instructed to present justification, such as business demand or market innovation, as to why additional taxicabs for their company may be warranted.

## Current Certificate Number and Applications Received

There are currently 847 taxicabs in Arlington County, which are operated by eight (8) certificate holders. The taxicab industry fleet includes 410 hybrid-fueled sedans (55% of the total non-wheelchair vehicles) and 97 wheelchair-accessible vans (5% of the entire fleet). The remaining are standard vehicles. There are five companies that provide dispatch service with a total of 775 taxicabs (91% of the entire fleet). **Table 1** provides the current distribution of taxicab vehicles by company.

**Table 1. Current Number of Authorized Taxicab Certificates by Company**

Company / Certificate Holder	Number of Taxicabs	Hybrid	Wheelchair
Red Top*	355	111	28
Blue Top*	181	100	19
Arlington Yellow Cab*	100	87	-
EnviroCab*	50	50	-
All Access	50	-	50
Friendly Cab*	39	36	-
Crown Cab	37	20	-
Hess Cab	35	6	-
<b>Total</b>	<b>847</b>	<b>410</b>	<b>97</b>

\*Taxicab companies that provide dispatch service

**Allocation Process Review & Findings**

The [2016 Taxicab Certificate Determination Report](#) provided a summary of data and information that lead to my recommendation for no additional taxicabs. As per County Code §25.1, all companies applying for certificates must 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.

No applications for new taxicabs were filed during the application period from July 1 to September 1, 2016.

Following Arlington County Taxicab Ordinance, section 25.1-4 (f) (1), all Certificate Holders were requested to provide information on the number of taxicabs, authorized by a Certificate, that were not operated during any of the 180 calendar days immediately preceding September 1, 2016. Companies had until October 1, 2016 to provide this or any information.

Five of the eight existing companies responded that all their taxicabs were in operation during the 180 calendar days immediately preceding September 1, 2016. Three companies: All Access Taxicab, Blue Top Cab and enviroCab disclosed information regarding some taxicab vehicles not being used during that time.

All Access Taxicab, approved by the County Board to start operations on January 1, 2015 with 50 wheelchair vehicles, stated that during the preceding 180 calendar days, the company had one operating vehicle. While it has taking them longer than planned to expand operations, the company is currently working on an agreement to provide accessible vehicles at Reagan National Airport. All Access reported that they have additional drivers committed to purchasing and outfitting vehicles for service. All Access also provided the County with letters of support from members of the Community requesting additional time to allow for expanding their operations.

Blue Top Cab received 10 additional wheelchair certificates to start operations on January 1, 2015. The company already has 171 taxicab vehicles, nine of which are accessible vehicles. The company provided information that although they have not been able to fill any of the new

additional wheelchairs taxicabs, they are now getting interest from drivers. Blue Top Cab has agreements with Arlington County Fire Department, Department of Human Services, Arlington Public Schools and LogistiCare to provide service which can support more wheelchair accessible taxicabs.

EnviroCab responded that it had seven unused vehicles preceding 180 calendar days from September 1, 2016. They reported an intense competition from Transportation Network Companies (TNCs) to recruit drivers along with drivers' departures during the summer months where business is slow as reasons why there were unused taxicab vehicles. Since September 1, 2016 the company has filled a few of the vehicles and it is expecting to fill the rest soon. Also, the company has been investing in new software and additional staff to improve the company which may help the new and current drivers.

## **Conclusion**

As stated in the [2016 Taxicab Certificate Determination Report](#) dated July 1, 2016, the taxicab industry has been impacted by the existence of Transportation Network Companies (TNCs) – currently Uber and Lyft – that operate in Arlington under Virginia's Department of Motor Vehicles authority. There is insufficient data available to quantify this impact. However, Arlington Taxicab companies have brought up the shortage of available drivers during meetings and discussions with the County.

There has not been any significant changes to the data presented in the 2016 Taxicab Certificate Determination Report. In addition, County staff did not receive any applications for new taxicab certificates during the official July 1 to September 1, 2016 application period.

At the request of the County, three out of eight companies, reported that they have had vehicles not in operation during the immediately preceding 180 calendar days from September 1, 2016. Staff reviewed the information provided and determined that companies are still interested in pursuing taxicab business in the County as they continue to invest in resources and seek agreements to provide and improve service.

According to [Section 25.1-4 \(f\) \(1\) of the Taxicab Ordinance](#), the County Manager could determine a decrease in the number of taxicabs authorized under a certificate holder if the vehicles were not in operation, during the time mentioned above. Also, the County Manager has the discretion to allocate those unused vehicles to companies that have applied for a certificate during the application period.

The County has no reason to believe allowing the unused certificates to remain available will harm the purpose of the taxicab regulation to protect the health, safety and welfare of the traveling public. Due to the fact that there were no new applications received, unused certificates could not potentially be allocated to another company. Allowing the companies to continue pursuing measures to bring these vehicles into the fleet would benefit customers, specifically those that need accessible vehicles. As a result, I conclude that there is no need at this point to decrease the number of taxicabs authorized under current certificates.

Lastly, certificates are renewed annually, and each company pays a fee to the County of \$150 per vehicle due every February 1<sup>st</sup>. Companies not interested in continuing to use any of the taxicabs authorized by their certificate may choose to not pay the annual fees and forfeit authorization for those vehicles.

## **Recommendation**

Therefore, I recommend that no additional taxicabs, including wheelchair-accessible vehicles, be authorized this year. I also recommend that no changes be made to the allocation of the existing taxicab certificates amongst the eight authorized taxicab companies.