



Administration & Regulatory Affairs

Overview: Proposed Changes to Chapter 46 of the Code of Ordinances Related to Vehicles-for-Hire

February 25, 2014



OVERVIEW

- Goals of Vehicle for Hire Regulation in Houston
 - Public Safety
 - Service Delivery

- Current Industry Participants
 - Taxicabs
 - Limousines
 - Low Speed Shuttles
 - Pedicabs
 - Charter/Sightseeing
 - Jitneys
 - Private School Buses
 - Scheduled Ground Transportation (SGTs)

- New Entrants – Mobile Dispatch Applications
 - Rideshare/P2P – i.e. Lyft, Sidecar, UberX, Tickengo aka Wingz
 - Black car – i.e. Uber
 - Taxi – GetRide, Flywheel, Hailo



TAXI CAB STUDY

- **Positive Findings**

- Most positive findings relate to dispatch service from Greater Houston Transportation, aka Yellow Cab; and Houston Transportation Services aka Lonestar Cab
- Yellow Cab response time: 77% of requests serviced within 15 minutes; 93% within 30 minutes; among highest in the nation
- Among those surveyed, end-users reported Yellow Cab was called the most (92.8% of users)
- Houston users (public) of dispatched taxi services are satisfied or very satisfied with most aspects of taxi services
- When compared to other large North American cities, dispatched taxi delivery services in Houston are among the best
- Houston rates are among the most competitive taxi rates in the country for a large city



TAXICAB STUDY (cont'd)

▪ Issues Identified

- Most issues identified relate to **stand** taxi services provided by companies and drivers that do not have access to dispatch, i.e. small operators
- Most users of taxi stand market – i.e. Hotels, restaurants, medical facilities, airport customers – [rated quality of taxi vehicles and drivers low compared to other cities; 2.54 out of 5 rating](#)
- Secret shoppers found drivers to be unfamiliar with streets; drivers smoked in cabs; drivers talked on cell phones
- [Hundreds of vehicle color schemes confusing to users; proliferation of DBAs as a result of taxi leases](#)
- [One-car operators do not serve the whole Houston area](#)
- Lack of dispatch means some riders don't get picked up; Lack of dispatch means too many cabs at the stands and the airports
- Permit lease prices vary, from \$120 per week to \$500 per week (Note: permittees pay the City only \$535 per year for a permit!) – many permit leases for non-dispatch companies have **no added value**



TAXICAB STUDY (cont'd)

- **Study Recommendations**

1. Value-Added Permits: Require all taxi permit holders to be able to generate a minimum # of trips per day, per vehicle, to create value-added leases that maximize revenues for drivers and permittees. For example, [Dr. Mundy found that Yellow Cab lessees receive 6 to 7 dispatch trips per day](#) and can earn a weekly income of \$900 or more with owner/operators of cabs paying between \$225 and \$295 per week. **Bottom line:** Over the long run, Dr. Mundy recommends that Houston require that all leases be allowed only for value-added permits (either through dispatch or pre-arranged business)
 - a. [Require all Houston taxi drivers to be able to be dispatched from taxi dispatch companies.](#)
 - b. Require that all vehicles be painted in colors, and branded, according to those dispatch companies to minimize the proliferation of taxicab colors.
2. Implement a form of distance-based bar coding or electronic monitoring for use on all regulated vehicles so inspectors know when a vehicle and driver are illegal.



TAXICAB STUDY (cont'd)

- **Study Recommendations (continued)**

3. Increase standards for obtaining a Houston taxi driver's chauffeur license and create a formal training program paid for by drivers. Drivers should be trained in customer service, geography, etiquette, etc. Consider a driver dress code.
4. Require that all taxi dispatch companies implement mobile dispatch applications.
5. Require that all taxi mobile dispatch applications contain a customer complaint functionality that transmits the complaint directly to ARA.
6. Set a maximum number of complaints that can be received against a taxi driver before the driver's license is revoked.
7. [Require security cameras in all taxicabs.](#)
8. Require integrated GPS/credit card processing equipment in all taxicabs.
9. [The Study DID NOT recommend the elimination of the minimum limousine fare.](#)



NEW ENTRANTS – MOBILE DISPATCH APPS

- New Industry Entrants
 - Mobile Taxi Dispatch Services – i.e. GetRide; Flywheel; Hailo
 - Mobile Black Car Dispatch Services – i.e. Uber Black
 - Mobile Rideshare/Peer-to-Peer Dispatch Services – i.e. Lyft, Sidecar, UberX, Tickengo (aka Wingz)

- Employ smartphone applications to dispatch vehicles-for-hire

- GetRide started dispatching taxicabs in Houston in November 2013 pursuant to City ordinance

- Uber X and Lyft launched in Houston on 2/20 & 2/21/2014, respectively, offering free rides. ARA staff took several rides (undercover) on Friday the 21st. Rides began in various places around the city and ended at Hughes Hangar. We were at Hughes Hangar from 6:15 to 8 p.m. We also took 2 rides yesterday with Lyft and were charged for both. The violations have been reported to the City Prosecutor's office for further processing for Municipal Courts.

- Tickengo, now Wingz, launched operations in Houston in 2013. The City issued a cease and desist letter, and Wingz is not currently operating in Houston.

- GetRide, Flywheel and Hailo reportedly accepted by taxicab industry nationwide



MINIMUM OPERATING REQUIREMENTS

- Minimum COH Requirements for all vehicles-for-hire:
 - Drivers: Criminal background checks and drug tests
 - Vehicles: Inspections for roadworthiness; vehicle age limit
 - Insurance: Commercial automobile liability insurance that covers the vehicle 24/7, or at all times while in driver mode (IF VEHICLE NOT OWNED).
 - Drivers must render vehicles for ad valorem taxation if used as vehicle for hire



INDUSTRY PARTICIPANT OVERVIEW

Industry Participant & Type of Service Offered	Type of Vehicle Used	COH Permitted & Inspected Vehicles?	COH Licensed Drivers?	Drivers: COH Standard for Criminal background checks? Drug testing?	Company Facilitated background checks/drug screens/vehicle inspections?	Insurance?	Vehicle Age Limit?	Disabled Access Vehicles?	Mobile Dispatch?
Taxicab Permittees: Taxi Service	Sedans; vans	Yes	Yes	Yes	No (with a few exceptions)	Commercial; State minimum limits	6 years	Yes (20% of GHTC fleet; Pasadena Taxi)	Yes (GHTC; Houston Transportation Services)
Limousine Permittees: Luxury Transportation Service	Sedans; SUVs; stretch vehicles; etc.	Yes	Yes	Yes	No (with a few exceptions)	Commercial; \$500,000 per occurrence	Varies; 6 - 10 yrs depending on type of vehicle	No	Some
GetRide: Mobile dispatcher of taxi services	Sedans; vans	Yes	Yes	Yes	No	No auto policy; complies by dispatching only permitted vehicles & licensed drivers	6 years	Some (if dispatching GHTC vehicles)	Yes; dispatches COH-permitted taxi vehicles and COH-licensed taxi drivers
Lyft: Mobile dispatcher of personally owned vehicles	Various - personally owned vehicles	No	No	No	Yes	Scripted endorsement for commercial insurance; \$1 M limit; applicable only when actually performing a Lyft trip	2000 or newer	No	Yes
Uber Black: Mobile dispatcher of luxury transportation services	Sedans; SUVs; stretch vehicles; etc.	Yes	Yes	Yes	No	No auto policy - claims no liability; promises to comply by dispatching only permitted vehicles & licensed drivers	Varies; 6 - 10 yrs depending on type of vehicle	No	Yes; dispatches COH-permitted limo vehicles and COH-licensed drivers
Uber X: Mobile dispatcher of personally owned vehicles	Various - personally owned vehicles	No	No	No	Yes	No auto policy - claims no liability; drivers use personal insurance only	2006 or newer	No	Yes



ESTIMATED NEW ENTRANT AIRPORT FARES VS TAXI ZONE RATES

Bush Intercontinental Taxi Zone Rates											
Compared to COH Zone Rates											
	Actual Fare	Estimated Fares			\$ Variance			% Variance			Zone
Zone	COH Zone Rate	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	Mileage
1	\$ 45.00	\$ 40.05	\$ 34.13	\$ 71.66	\$ (4.95)	\$ (10.87)	\$ 26.66	-11.01%	-24.15%	59.23%	19.3
2	\$ 52.50	\$ 46.82	\$ 39.98	\$ 83.38	\$ (5.68)	\$ (12.52)	\$ 30.88	-10.82%	-23.86%	58.82%	22.8
3	\$ 60.00	\$ 53.59	\$ 45.82	\$ 95.11	\$ (6.41)	\$ (14.18)	\$ 35.11	-10.68%	-23.63%	58.51%	26.3
4	\$ 65.00	\$ 57.85	\$ 49.50	\$ 102.48	\$ (7.15)	\$ (15.51)	\$ 37.48	-11.00%	-23.85%	57.65%	28.5
5	\$ 73.00	\$ 65.01	\$ 55.67	\$ 114.87	\$ (7.99)	\$ (17.33)	\$ 41.87	-10.95%	-23.73%	57.36%	32.2
6	\$ 81.00	\$ 71.97	\$ 61.69	\$ 126.93	\$ (9.03)	\$ (19.31)	\$ 45.93	-11.14%	-23.84%	56.70%	35.8
7	\$ 87.50	\$ 77.58	\$ 66.53	\$ 136.65	\$ (9.92)	\$ (20.97)	\$ 49.15	-11.33%	-23.97%	56.17%	38.7
8	\$ 104.50	\$ 92.48	\$ 79.39	\$ 162.44	\$ (12.02)	\$ (25.11)	\$ 57.94	-11.50%	-24.03%	55.44%	46.4
9	\$ 34.00	\$ 30.37	\$ 25.78	\$ 54.91	\$ (3.63)	\$ (8.22)	\$ 20.91	-10.68%	-24.17%	61.49%	14.3
10	\$ 41.00	\$ 36.76	\$ 31.29	\$ 65.96	\$ (4.24)	\$ (9.71)	\$ 24.96	-10.35%	-23.68%	60.88%	17.6

William P. Hobby Airport/Houston Taxi Zone Rates											
Compared to COH Zone Rates											
	Actual Fare	Estimated Fares			\$ Variance			% Variance			Zone
Zone	COH Zone Rate	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	Mileage
1	\$ 32.00	\$ 28.63	\$ 24.28	\$ 51.89	\$ (3.37)	\$ (7.72)	\$ 19.89	-10.53%	-24.13%	62.16%	13.4
2	\$ 26.00	\$ 23.60	\$ 19.94	\$ 43.18	\$ (2.40)	\$ (6.06)	\$ 17.18	-9.24%	-23.32%	66.08%	10.8
3	\$ 38.50	\$ 34.63	\$ 29.46	\$ 62.28	\$ (3.87)	\$ (9.05)	\$ 23.78	-10.06%	-23.49%	61.75%	16.5
4	\$ 54.50	\$ 48.56	\$ 41.48	\$ 86.40	\$ (5.94)	\$ (13.02)	\$ 31.90	-10.90%	-23.89%	58.52%	23.7
5	\$ 61.50	\$ 54.56	\$ 46.66	\$ 96.78	\$ (6.94)	\$ (14.84)	\$ 35.28	-11.29%	-24.14%	57.37%	26.8
6	\$ 70.00	\$ 62.30	\$ 53.34	\$ 110.18	\$ (7.70)	\$ (16.66)	\$ 40.18	-11.00%	-23.81%	57.40%	30.8
7	\$ 80.50	\$ 71.39	\$ 61.19	\$ 125.93	\$ (9.11)	\$ (19.32)	\$ 45.43	-11.31%	-23.99%	56.43%	35.5
8	\$ 71.00	\$ 63.27	\$ 54.17	\$ 111.86	\$ (7.73)	\$ (16.83)	\$ 40.86	-10.89%	-23.70%	57.54%	31.3
9	\$ 37.50	\$ 33.47	\$ 28.45	\$ 60.27	\$ (4.03)	\$ (9.05)	\$ 22.77	-10.76%	-24.13%	60.71%	15.9
10	\$ 86.00	\$ 76.42	\$ 65.53	\$ 134.64	\$ (9.58)	\$ (20.47)	\$ 48.64	-11.14%	-23.81%	56.55%	38.1
11	\$ 79.50	\$ 70.43	\$ 60.35	\$ 124.25	\$ (9.08)	\$ (19.15)	\$ 44.75	-11.42%	-24.09%	56.29%	35.0

Notes

Lyft: Fare is a mix of time and distance. Formula to determine estimated fare is not available. Therefore, ARA developed formula based on actual trips taken.

UberX: Fare is a mix of time and distance. Formula to determine estimated fare is not available. UberX does provide a range for the estimated fare. ARA's formula results in a fare closer to the **low-end** of the UberX estimate.

Uber Black: Houston fares are not available. Fares are estimated using mileage costs based on Dallas estimator.



COMPARISON OF SHORT TRIP TAXI RATES VS NEW ENTRANTS

Actual Fare	Estimated Fares			\$ Variance			% Variance			Distance in Miles
COH Taxi Rate	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	Lyft	Uber X	Uber Black	
\$4.75	\$ 5.00	\$ 4.70	\$ 15.00	\$ 0.25	\$ (0.05)	\$ 10.25	5.26%	-1.05%	215.79%	1.0
\$6.95	\$ 6.57	\$ 5.24	\$ 15.00	\$ (0.38)	\$ (1.71)	\$ 8.05	-5.47%	-24.60%	115.83%	2.0
\$9.15	\$ 8.51	\$ 6.91	\$ 17.05	\$ (0.65)	\$ (2.24)	\$ 7.90	-7.05%	-24.48%	86.34%	3.0
\$11.35	\$ 10.44	\$ 8.58	\$ 20.40	\$ (0.91)	\$ (2.77)	\$ 9.05	-8.02%	-24.41%	79.74%	4.0
\$13.55	\$ 12.38	\$ 10.25	\$ 23.75	\$ (1.18)	\$ (3.30)	\$ 10.20	-8.67%	-24.35%	75.28%	5.0
\$15.75	\$ 14.31	\$ 11.92	\$ 27.10	\$ (1.44)	\$ (3.83)	\$ 11.35	-9.14%	-24.32%	72.06%	6.0
\$24.55	\$ 22.05	\$ 18.60	\$ 40.50	\$ (2.50)	\$ (5.95)	\$ 15.95	-10.18%	-24.24%	64.97%	10.0
\$35.55	\$ 31.73	\$ 26.95	\$ 57.25	\$ (3.83)	\$ (8.60)	\$ 21.70	-10.76%	-24.19%	61.04%	15.0
\$46.55	\$ 41.40	\$ 35.30	\$ 74.00	\$ (5.15)	\$ (11.25)	\$ 27.45	-11.06%	-24.17%	58.97%	20.0

Notes

Lyft: Fare is a mix of time and distance. Formula to determine estimated fare is not available. Therefore, ARA developed formula based on actual trips taken.

UberX: Fare is a mix of time and distance. Formula to determine estimated fare is not available. UberX does provide a range for the estimated fare. ARA's formula results in a fare closer to the low-end of the UberX estimate.

Uber Black: Houston fares are not available. Fares above are estimated based on algorithm for Dallas.



UBER BLACK

- Fast Facts

- Contracting entity is headquartered in Amsterdam, the Netherlands; Company headquarters is San Francisco, California.
- Founded in 2009. Launched in San Francisco in 2010.
- Dispatches traditional limousine-type Lincoln Town Cars and other luxury black cars
- Uber states their black car operations in Houston will be limited to only existing City of Houston approved permittees, drivers and vehicles.
- On demand service
- Relies on a time and distance algorithm to establish fare
- Cashless payment system
- Driver ratings
- **NOTE: Uber also operates UberX, a peer-to-peer provider that competes directly with Lyft using personally owned vehicles.**



UBER BLACK (cont'd)

- Uber Requests the Following Amendments to Chapter 46:
 - Eliminate the minimum fare for limousine trips – currently \$70 for a two-hour minimum
 - Eliminate the 30-minute prearranged trip requirement
 - [Eliminate the minimum fleet requirement for limousines – currently four vehicles are the minimum fleet requirement](#)
 - Update and clarify the vehicle manifest regulations and dispatch locations in the limousine sections of the ordinance
 - Relax sedan vehicle age requirements in the limousine sections of the ordinance
 - Eliminate the minimum passenger seating requirements in the limousine sections of the ordinance



UBER BLACK – BOTTOM LINE

- Public Safety: If Uber Black is true to representations made to Houston – i.e. they will dispatch only COH permitted vehicles and COH licensed drivers that comply with all the requirements of the limousine provisions of Chapter 46 – then they will be complying with the minimum public safety requirements established by the City.
- Uber Black could operate in Houston **TODAY**, if the company obtained a mobile dispatch registration and the company could alter its business model to comply with the \$70 minimum limo fare and prearranged trip requirement.
- In the alternative, although Uber requested many changes to Chapter 46, according to our analysis, City Council would only need to make two major changes to Chapter 46 to allow Uber Black to operate **according to its business model**:
 - Eliminate the minimum fare for limousine trips – currently \$70 for a two-hour minimum
 - Eliminate the 30-minute prearranged trip requirement



LYFT

- Fast Facts

- Founded in 2012. Launched in San Francisco in 2012.
- Peer-to-Peer Service: dispatches drivers in personally-owned vehicles to riders
- Requested “donation” in the Houston market includes a \$2.00 pickup fee, a \$1 safety fee and a ride fee based on time and distance (\$1.85/mile plus \$0.30 per minute). The minimum “donation” is \$5.00 and there is a \$5 cancellation fee.
- Targets recommended donation at 70% of the typical taxi fare for the trip
- Lyft collects 20% of the fare; driver gets 80%
- Drivers must be at least 23 years old
- Vehicle must be four doors; model year 2000 or newer
- Cashless payment system
- Driver and passenger ratings
- Must sign in through Facebook



LYFT (cont'd)

- Lyft has requested the following ordinance amendments to allow their operation in Houston:
 - Ride-sharing network (RSN) definitions
 - Creation of ride-sharing network permit/license
 - Lyft-facilitated criminal background checks
 - Lyft-facilitated vehicle inspections
 - Commercial liability insurance policy providing not less than \$1 million per-incident coverage for incidents involving RSN vehicles and operators while providing RSN services



LYFT – BOTTOM LINE

- City Council would need to make several major changes to Chapter 46 to allow Lyft – and for that matter, Uber X – to operate:
 - Public Safety:
 - Audited criminal background checks – i.e. the ordinance would need to allow Lyft to contract for background checks and the City would need to create a process for auditing for compliance
 - Audited vehicle inspections – i.e. the ordinance would need to allow Lyft to perform vehicle inspections and the City would need to create a process for auditing for compliance
 - Lyft would need to provide a commercial liability insurance policy providing not less than \$1 million per-incident coverage for incidents involving RSN vehicles and operators at all times the vehicle is being operated while in driver mode; would also need \$500,000 uninsured/under-insured motorist bodily injury coverage
 - Current Lyft vehicle age limits would need to conform to COH vehicle-for-hire sedan age limits
 - Other:
 - Ride-sharing network (RSN) definitions; Creation of ride-sharing network permit/license and associated fees
 - Lyft drivers must provide proof that they have rendered vehicles for ad valorem taxation since they are operated as vehicles-for-hire



ADDITIONAL ORDINANCE CHANGES

- Should City Council determine new mobile dispatch service entrants can operate in Houston, ARA recommends the following (in addition to any changes noted in the previous slides):
 - Limousine insurance minimums should be increased to \$1,000,000 per occurrence
 - Apps must provide for complaint data to be able to be entered into the app and be received by the City of Houston; as well as a local phone number for customer complaints
 - [Both existing operators and apps must provide: trip information to the City of Houston to allow us to track supply and demand information citywide](#)
 - **UberX** operates very much like **Lyft** and would be subject to the same requirements and require the same ordinance changes to be able to operate in Houston



PROPOSAL

1. Continue stakeholder discussions regarding ordinance changes to implement baseline Taxi Study recommendations from the Houston Taxicab Study.
2. Bring appropriate ordinance changes to enable UberBlack to operate in Houston legally.
 - a. Eliminate or significantly reduce minimum limousine fare
 - b. Change definition of “prearranged” trip and eliminate 30-minute requirement
 - c. Recommend proposed permit, reporting requirements and fee structure, as applicable
3. Begin stakeholder process to discuss ordinance changes to create a framework for peer-to-peer providers such Lyft and UberX.
 - a. Discuss creating new article in Chapter 46 to deal specifically with rideshare, assisted criminal background checks, and assisted vehicle inspections
 - b. Draft language to create permit for these services
 - c. Research appropriate insurance requirements for these types of services.
 - d. Include reporting requirements (trip data, revenues)
 - e. [Research fees for these types of services and recommend appropriate fee structure. For example, in California, the California PUC collects 1/3 of 1% of total revenues from these types of operations, once they are permitted to operate.](#)



Discussion



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Limo Comparison/Minimum Rate Section

- [Mundy minimum fare discussion](#)
- [Comparisons of regulations to Peer Group](#)
- [Peer Group Summary](#)



Mundy Limo Minimum Fare Discussion

Setting Minimum Limousine Rates for Houston

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The table below shows the fare distributioncollected over a total of 223,802 trips, which is a sizeable number to produce accurate results. Average fare per trip is \$21.2 and slightly over 50% trips have fares below \$15.

As depicted in the table and the graph below, the 95th percentile of the distribution comes out to be \$68.4 which falls in the fare range of \$65-\$75. This means that 95% of the trips have fares below \$70. Also, only 2% trips have fares over \$75. Thus, if the City of Houston wants to protect taxi trips from on-demand competition from Sedans and Limousines at the 95th percentile (meaning that 95% of all taxi trips would be sheltered from on-demand sedan/limo fares) it would set its minimum sedan/limousine fare at \$68.40. Likewise, if the City of Houston chooses to only protect two thirds of the taxi trips from on-demand competition, it would set the minimum rate at roughly \$40.00.

Fare Range	No. of trips	%	Percentile
\$0-\$5	21583	10%	
\$5-\$15	94372	42%	50 th
\$15-\$25	47676	21%	
\$25-\$35	21851	10%	
\$35-\$45	10991	5%	68.6 th
\$45-\$55	8621	4%	
\$55-\$65	7603	3%	
\$65-\$75	5589	2%	95 th
\$75 or greater	5516	2%	
Total	223802	100%	



Houston Limo Regulations: Peer City Comparison

Survey of Limousine Regulations in Major US Cities				
City	Minimum Fare	Minimum Wait Time	Minimum Fleet Size	Notes
New York	none	prearranged requirement but no time		
Los Angeles	none	prearranged requirement but no time	none	Regulated at state level, CPUC
Chicago	none	prearranged requirement but no time		
Houston	\$70	30 min		4
Phoenix	n/a	n/a	n/a	Regulated at state level
San Antonio	\$67.50	1 hour		
San Diego	none	prearranged requirement but no time	none	Regulated at state level, CPUC
Dallas	none	prearranged requirement but no time		
San Jose	none	prearranged requirement but no time	none	Regulated at state level, CPUC
Austin	\$55 per hour or any portion of an hour	30 min		
Jacksonville	none	30 unless digitally dispatched (apps ok, no wait)	none	
Indianapolis	n/a	n/a	n/a	Regulated at the state level
San Francisco	none	prearranged requirement but no time	none	Regulated at state level, CPUC
Columbus	none	Used to be prearranged requirement, but state law changed to allow apps	none	
Fort Worth	none	20 minute prearranged	3 sedans, or 1 large	
Charlotte	none, but measured in 1 hour increments	Prearranged requirement, but not defined by time		1
Portland	\$50	1 hour		
Philadelphia				
El Paso	none	none	none	
Memphis				
Boston	n/a	n/a	n/a	Limos regulated at state level, Massachusetts Registry of Motor Vehicles
Seattle	none	15 minutes	none	Cooperative agreement between the City of Seattle and the State of Washington
Denver				
Washington DC	none	none	none	
Las Vegas	none	none		Limos regulated at state level, Nevada Transportation Authority
Nashville	3x minimum taxi flag drop fare (\$9), changed from \$45	prearranged requirement but can be done through app, no time limit	none	
Atlanta				
Miami	No less than three and one-third (3.33) times the hourly rate of taxis	1 hour		Proposals being discussed to abolish these restrictions



Comparative Analysis of Houston Limousine Regulations, Cont'd

Peer group sample size 28

Number of Peer Cities with relevant regulations	Count of Cities	% of Peer Sample
Limo Minimum Fare		
Prescribed Limo minimum fare	3	11%
Prescribed Limo minimum fare, multiple of taxi rate	2	7%
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Subtotal Cities with Minimum Fare Regulations	5	18%
Prearranged trip requirement		
Prescribed minimum waiting time	7	25%
Prescribed discrete steps	11	39%
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Subtotal Cities with Prearranged Trip Regulations	18	64%
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Prescribed Minimum Fleet Size	3	11%

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Impact of New Entrants Section

- [NYC medallion transfer prices](#)
- [Chicago transfer prices](#)
- [Boston revenues](#)
- [Pending Impact in Seattle](#)
- [Media Reports of New Entrants Impact on Incumbents I](#)
- [Media Reports of New Entrants Impact on Incumbents II](#)
- [Media Reports of New Entrants Impact on Incumbents III](#)
- [Sample of Fees Assessed to Transportation Network Companies](#)



Monthly NYC Taxicab Medallion Transfer Prices Over Time (2010-2012)

Month-Year	Average Individual Taxicab Medallion Transfer Price (\$)	Average Corporation Taxicab Medallion Transfer Price (\$)
Jan-10	583,000	779,000
Feb-10	588,000	775,000
Mar-10	589,000	781,000
Apr-10	592,000	784,000
May-10	603,000	781,000
Jun-10	606,000	794,000
Jul-10	607,000	825,000
Aug-10	609,000	-
Sep-10	610,000	825,000
Oct-10	614,000	825,000
Nov-10	618,000	825,000
Dec-10	624,000	-
Jan-11	634,000	-
Feb-11	641,000	950,000
Mar-11	649,000	950,000
Apr-11	658,000	-
May-11	665,000	950,000
Jun-11	673,000	975,000
Jul-11	678,000	-
Aug-11	686,000	-
Sep-11	687,000	-
Oct-11	694,000	1,000,000
Nov-11	696,000	1,000,000
Dec-11	699,000	1,000,000
Jan-12	703,000	1,000,000
Feb-12	705,000	1,000,000
Mar-12	701,000	1,000,000
Apr-12	703,000	1,000,000
May-12	704,000	1,000,000
Jun-12	704,000	-
Jul-12	705,000	1,000,000
Aug-12	713,000	1,000,000
Sep-12	717,000	1,025,000
Oct-12	741,000	1,000,000
Nov-12	775,000	1,000,000
Dec-12	808,000	1,100,000

Growth rate pre-launch	13%
Growth rate post-launch	20%



Monthly Chicago Taxicab Medallion Transfer Prices Over Time (2010-2012)

Month-Year	Median Taxicab Medallion Transfer Price (\$)
Jan-10	184,000.00
Feb-10	183,000.00
Mar-10	184,000.00
Apr-10	185,000.00
May-10	184,000.00
Jun-10	182,250.00
Jul-10	180,000.00
Aug-10	183,000.00
Sep-10	182,000.00
Oct-10	184,000.00
Nov-10	175,000.00
Dec-10	188,000.00
Jan-11	197,500.00
Feb-11	200,000.00
Mar-11	167,300.00
Apr-11	250,000.00
May-11	165,000.00
Jun-11	210,000.00
Jul-11	240,000.00
Aug-11	235,000.00
Sep-11	241,000.00
Oct-11	260,000.00
Nov-11	287,500.00
Dec-11	285,000.00
Jan-12	305,000.00
Feb-12	275,000.00
Mar-12	325,000.00
Apr-12	333,000.00
May-12	360,000.00
Jun-12	325,000.00
Jul-12	365,001.00
Aug-12	348,000.00
Sep-12	345,000.00
Oct-12	345,000.00
Nov-12	360,000.00
Dec-12	360,000.00

Growth Rate Pre-Launch	27.7%
Growth Rate Post-Launch	49.4%



Impact of Uber's Boston Launch on Taxicab Industry Revenues

Boston Revenue: Uber vs. Taxicab Industry Since Uber Launch

Uber Revenues (Launched Oct 2011)

Total Period Revenue (Oct 2011 - Jan 2013)	\$	9,000,000
Uber average revenue per month	\$	600,000
Boston-area Taxi industry 2012 rev estimate	\$	250,000,000
Taxi industry revenue per month	\$	21,000,000
Uber Share of Total Boston Taxi Industry Revenue		3.60%
Uber Share of Monthly Taxicab Industry Revenue		2.86%

Source:

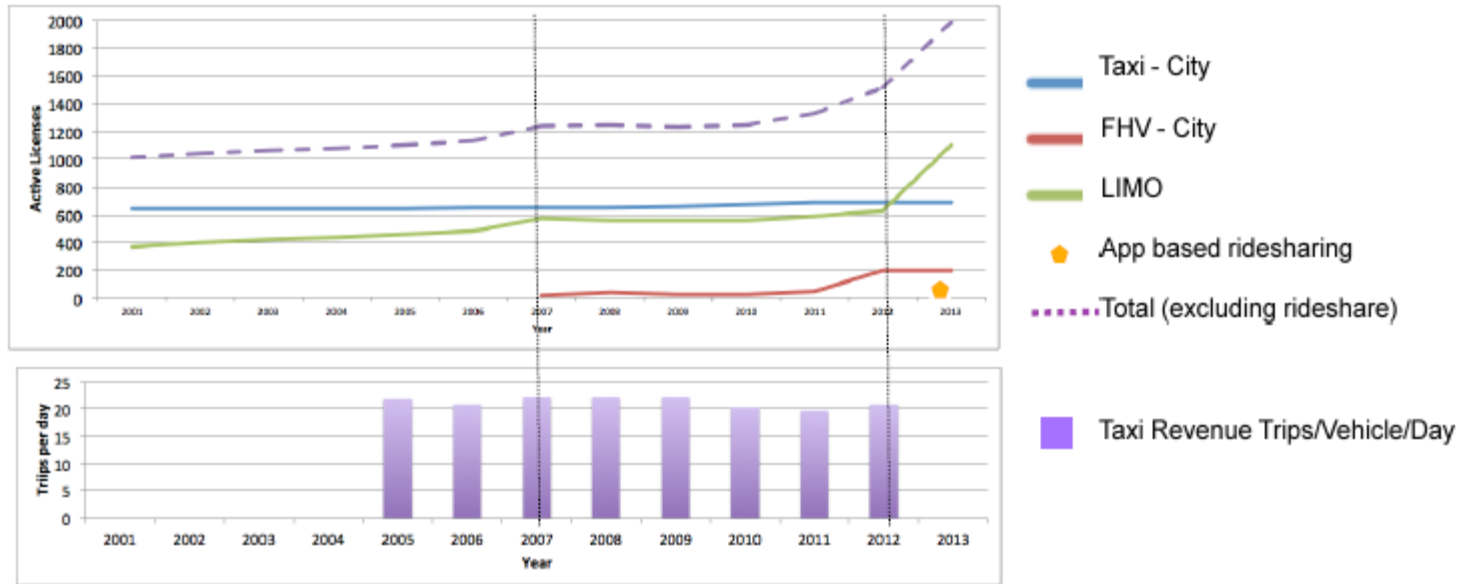
<http://www.xconomy.com/boston/2013/08/02/uber-boston-9m-of-fares-in-15-months-barely-denting-cab-market/>



Pending Impact in Seattle

Taxi, For Hire and Limousine Services Demand Study

Trends in Market Supply in City of Seattle



Limo figures relate to Limos licensed by Washington State operating in King County, including Seattle



Media Reports of New Entrant Impact on Incumbents

- Increased competition for taxi company suppliers (drivers):
 - “The San Francisco Cab Drivers Association (SFCDA), an association for registered taxi drivers that promotes fair working conditions and business practice, reports that one-third of the 8,500 or so taxi drivers in San Francisco -- over 2,800 -- have ditched driving a registered cab in the last 12 months to drive for a private transportation startup like [Uber](#), [Lyft](#), or [Sidecar](#) instead.”
 - **Source:** <http://tech.fortune.cnn.com/2014/01/15/with-ubers-comes-struggle-for-san-francisco-taxis/>
 - However, the SFCDA clarifies in a post on its website that: “...Unfortunately, thanks to my willingness to share the story of the “Wal-marting” of the taxi industry and the eagerness of a young reporter to get a scoop, the nuances of the message got a little lost...**We did not do ‘a study’ [emphasis by SFCDA]**, I have been looking at available data points and extrapolating from there. There is no definitive number we know of but it seems that a full 1/3rd of drivers have left for other endeavors. The estimates I do have change daily as new information comes to light...”
 - **Source:** <http://www.sfcda.org/archives/912>



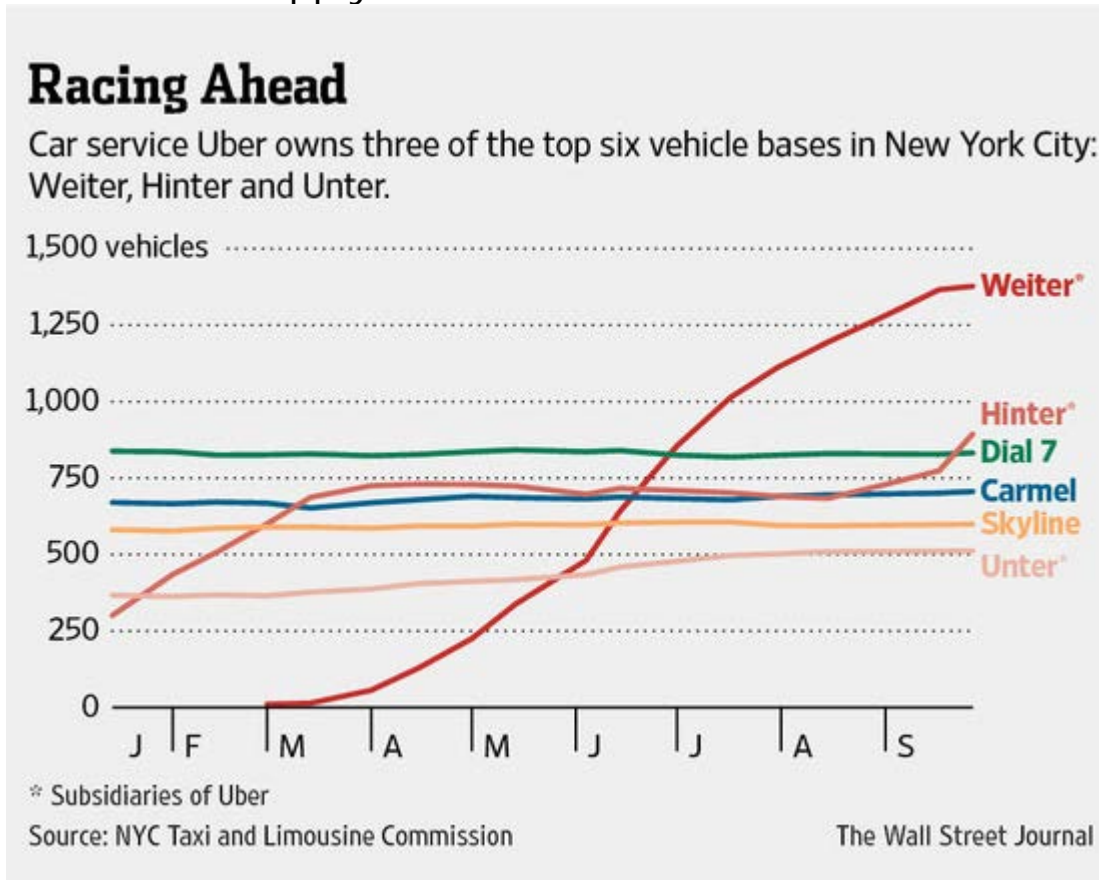
Media Reports of New Entrant Impact on Incumbents, Cont'd

- Increased competition for taxi company customers:
 - "...Ridership has been declining all over the country, anywhere from 10 to 30 percent in cities where services like Uber have entered the market. Yellow Cab LA - by far Los Angeles' largest taxi company - has 15 percent fewer calls coming in, after four years of double digit growth. **[ARA unable to independently verify these statistics]**
 - 'Does that mean we're in dire straits?,' says William Rouse, general manager of Yellow Cab LA. 'Absolutely not. But it a cause for concern. We watch trends just like everybody else...
 - ...With few legal options left, Rouse has now turned his focus inward. 'We're committed to problem solving and improving the product and going out and marketing like we never have to rebuild the business,' he says...
 - ...A quarter of Yellow Cab's calls now come from a sleek mobile app that looks suspiciously like Uber's. But not all drivers are allowed to pick-up customers who use the app. First they have go through classes to improve customer-service skills...
 - As difficult as it is for him to admit, Rouse says ride-sharing is making taxis better. 'I'm not going to go and say that companies that go in and break the law have helped us,' he says. 'But at the same time it is a good thing for companies to peel back the onion, look at the product, and improve their product.'
- **Source:** <http://www.marketplace.org/topics/business/ride-sharing-vs-taxis-many-cities-competition>



Media Reports of New Entrant Impact on Incumbents, Cont'd

- Verifiable, quantifiable rapid increase in service supply:



- "When Uber, the car-service app, entered New York City about two years ago, some predicted it would disrupt the yellow-cab market. Instead, it has upended the city's livery car market...
- ...There are now nearly 3,000 vehicles affiliated with...Uber in New York City. That figure pales next to the roughly 40,000 for-hire vehicles licensed citywide...
- ... 'This is a classic case of somebody coming into the market and out-competing the previously existent businesses,' said TLC Chairman David Yassky...
- ... 'There was an unmet need for riders in New York, and the same can be said for drivers,' said Josh Mohrer, general manager of Uber NYC....

Source:

<http://online.wsj.com/news/articles/SB10001424052702304520704579125912838334576>



Sample of Fees Assessed to TNCs

Cities Uber Operates in	Fee	Notes	Considered Changing the Taxi Rates?	Notes on Fares
Fresno	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
Los Angeles	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC	They have forgone the normal rate increases for the past 2 years but no plans to lower.	Emailed
Orange County	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
Palm Springs	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
Sacramento	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
San Diego	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
San Francisco	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
Santa Barbara	\$1000 annually, plus .33% +\$10 of gross California revenues on a quarterly basis	CPUC		
Seattle	\$50,000 or .35% of gross revenue, whichever is greater	Just a proposal, still being debated	Still deliberating but not considering changing fares	Emailed
Dallas	n/a	Still deliberating	Has not lowered fares and is not currently considering it	Emailed
Minneapolis	n/a	Still deliberating		
Providence	None, under the status quo the burden to register would fall on the livery companies that work with Uber	Regulated at the state level, still deliberating		
Atlanta				
Baltimore				
Boston				
Charlotte				
Chicago	\$25,000 +\$25 for each TNC driver registered with the applicant on the day of application	Just a proposal, still being debated	Is considering some flexibility in taxi fares, sounded like they were going more in the direction of allowing some limited surge pricing, still in deliberation	Emailed
Columbus		Nothing has been decided yet, still deliberating		
Denver	n/a			Emailed
Detroit				
Hamptons				
Honolulu				
Indianapolis				
Jacksonville				
Nashville	Not decided yet, would be comparable to fees charged to taxi companies, limo companies, etc	Still deliberating	Did not respond with price flexibility, does not know of any jurisdictions that have	Emailed
New York City	Some black car bases are affiliated with Uber. They pay the standard \$1500 annual base license fee.			Mentioned that their version of Uber X works differently, only uses licensed cabs
Oklahoma City				
Philadelphia	\$350 per vehicle registered, the same as other taxi companies			
Phoenix				
Tucson				
Washington DC				
% of cities surveyed		55%		16%
				23%



Taxicab Industry Financial & Operations Example: Colorado

- [Summary of Benefits Provided by Report](#)
- [Analysis of CO PUC information](#)



Colorado PUC Operating Statistics Form

- Please see handout for example of full report
- Benefits of information reported in this way:
 - Provides standardized record keeping format to industry
 - Enables analysis of trip and financial information for identification of trends, areas for deeper analysis
 - Allows regulators to recommend policies to target more defined service issues

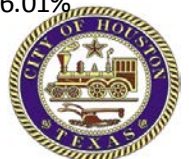
PART A - OPERATING STATISTICS AND REVENUE		
Statistics and revenue for taxi service		
1	Taxi Service Trip Statistics	
	Total number of trips (excluding Denver International Airport (DIA) flat-rate trips)	1,248,300
	Total number of paid miles (miles for which revenue was received by driver)	7,190,208
	Total number of extra passengers	162,279
	Total number of flat-rate trips to or from DIA	80,110
	Taxi Service Revenue	
	Flag drop revenue (flag drop charge x number of trips - excluding DIA flat-rate trips)	3,120,750
	Mileage revenue (mileage charge x number of paid miles)	16,177,968
	Waiting time and traffic delay revenue	\$
	Extra passenger revenue	162,279
	Extra baggage revenue	\$
	Flat-rate trip revenue to or from DIA	408,581
	Other passenger generated revenue (specify)	\$
	Total Taxi Service Revenue	23,546,607
	Amount of Total Taxi Service Revenue Retained By Drivers	14,956,339
	Amount of Total Taxi Service Revenue Retained By Carrier	8,590,268



Analysis of Denver Taxi Industry Data

Year	2009	2010	2011	2012
Taxi Service Trip Statistics				
Total # of Trips (excluding DIA flat rate trips)	2,932,251	2,870,256	4,296,921	4,960,111
Total # of paid miles				
Total number of extra passengers				
Total # of flate rate trips to or from DIA	368,244	315,130	385,398	365,934
Total # of trips (including DIA flat rate)	3,300,495	3,185,386	4,682,319	5,326,045
Total Taxi Service Revenue	\$ 70,530,147.00	\$ 68,080,146.00	\$ 96,840,517.40	\$ 97,147,324.00
Total amount retained by drivers	\$ 47,361,310.00	\$ 42,680,078.00	\$ 58,434,628.40	\$ 56,431,548.00
Total amount retained by carrier	\$ 23,168,837.00	\$ 25,400,068.00	\$ 38,405,889.00	\$ 40,715,776.00
% Retained by carrier	32.85%	37.31%	39.66%	41.91%
Analysis				
Percentage Change Total Revenue		-3.47%	42.24%	0.32%
Percent Change Driver Cut		-9.88%	36.91%	-3.43%
Percentage Change Owner Cut		9.63%	51.20%	6.01%

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Safety Section

- [NHTSA stats](#)
- [Stress and Danger: Part of the Job Taxicab Driver Job Description](#)



NHTSA: Total Taxi Fatalities, 2000-2012

National Highway Traffic Safety Administration: Total Taxi Fatalities Nationwide				
Year	Person Type			Yearly Total
	Occupants of Taxis	Occupants of Other Vehicles	Nonoccupants	
2000	22	21	21	64
2001	16	22	16	54
2002	14	10	16	40
2003	15	17	18	50
2004	14	19	13	46
2005	14	10	25	49
2006	19	9	10	38
2007	13	13	14	40
2008	22	17	10	49
2009	14	8	13	35
2010	15	11	8	34
2011	8	10	13	31
2012	12	6	15	33
Total	198	173	192	563



Stress and Danger: Part of the taxicab driver job description

- The Wall Street Journal, citing a survey conducted by careercast.com, ranked “taxicab driver” as the 10th most stressful job in the United States (<http://blogs.wsj.com/atwork/2014/01/07/10-most-and-least-stressful-jobs-2014/>)
- “By 1998 the homicide victim rate for taxi drivers had risen so dramatically that taxi drivers had a rate 4 times that of law enforcement officials.”
(Schwer, Mejza & Grun-Rehomme, 2010, p.6)
- A study conducted in Los Angeles found that 36.5% of taxi drivers interviewed admitted to being subjected to “racial slurs or hostile comments about the driver’s race or apparent country of origin.”
(Blasi & Leavitt, 2006, p. 38)
- More so, 24% of drivers interviewed admitted to being physically attacked or threatened with physical harm in the last year.
(Blasi & Leavitt, 2006, p. 38)

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Survey Section

- [Breakdown of the Houston Taxicab Industry](#)
- [Greater Houston Transportation: Permit Value Creation in Action](#)
- [Greater Houston Transportation: Extending Value to Secondary Segments](#)
- [Institutional Users: Additional Insight](#)
- [High-frequency Taxicab Arrangers: If they are confused, what about everyone else?](#)
- [End-users: Least Satisfaction from Residential Origins \(i.e., dispatched\)](#)



Breakdown of the Houston Taxi Industry

Number of Permits Held	Number of Companies
1	70
2	29
3	12
4	4
5	4
6	2
7	5
8	6
10	1
13	1
16	1
23	1
36	2
39	1
46	1
116	1
404	1
1446	1

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Greater Houston Transportation: Permit Value Creation in Action

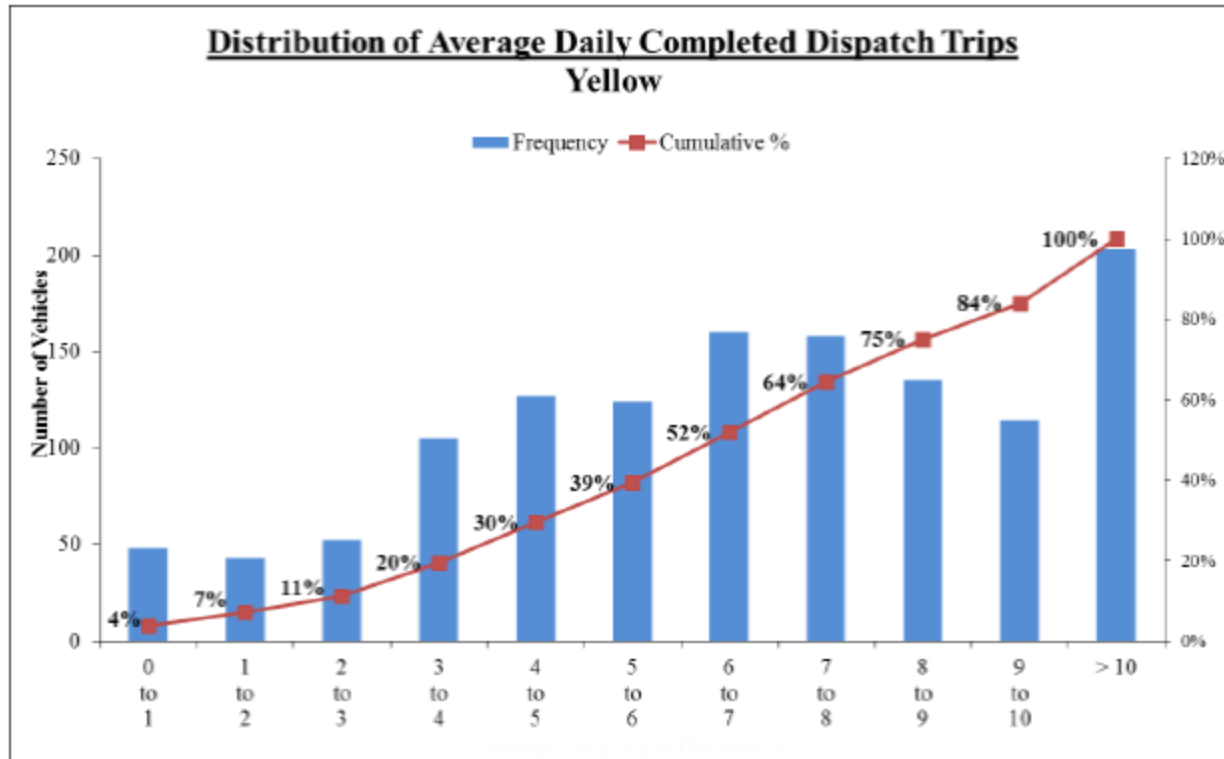


Figure 6

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Greater Houston Transportation: Value Creation Extending to Secondary Segments

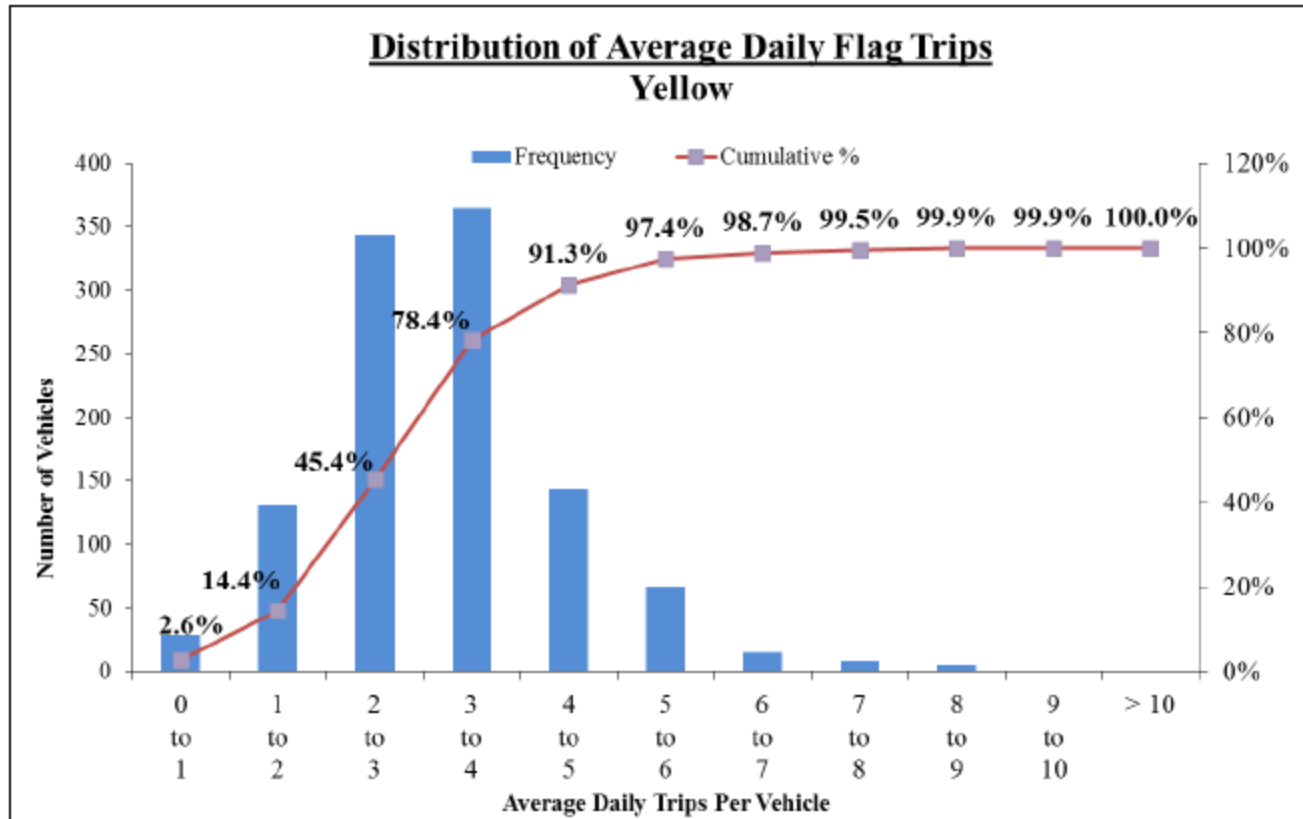


Figure 7



Institutional Users: Additional Insight



Rating Scale: 1 = Very Poor | 2 = Poor | 3 = Okay | 4 = Good | 5 = Very Good

Figure 39

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High-frequency Taxicab Arrangers: If they are confused, what about everyone else?

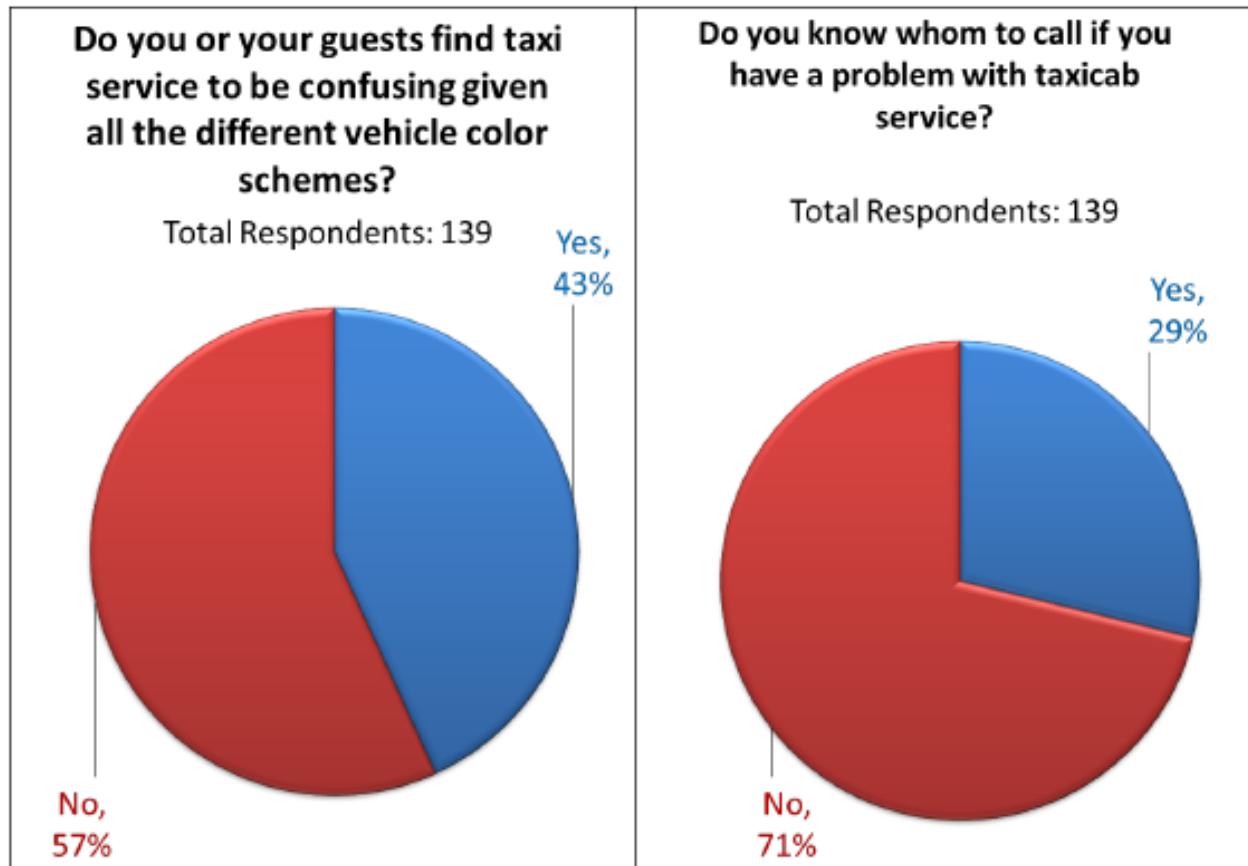


Figure 41



End-users: Least Satisfaction from Residential Origins (i.e., dispatched)



Something else to add here?

Figure 68: Satisfaction Level by Trip Origin

