



Memorandum

TO: BUILDING BETTER
TRANSPORTATION COMMITTEE

FROM: James R. Helmer
Robert L. Davis
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SUBJECT: TAXICAB SERVICE MODEL
STUDY - DRAFT

DATE: 1-23-04

Approved

Date

INFORMATION

The purpose of this memorandum is to transmit the “DRAFT” Taxicab Service Model Study prepared by Schaller Consulting for the City and the Taxicab Advisory Team. At the December 1, 2003 BBT meeting, Chair Cortese requested that the Committee be provided an opportunity to review and discuss the Study prior to taking action and reporting out to the full City Council. Transmitting the Study as an information item provides the opportunity for Committee discussion prior to action being taken. Staff expects to forward the consultant’s final Study and staff recommendations to the Committee for action at its March 2004 meeting.

BACKGROUND

The City Council directed the completion of the Service Model Study to address five key issues:

- What is the best regulatory model for customers, taxicab companies, drivers, and the City?
- Should the City institute a driver, vehicle or company moratorium on the taxi industry?
- How should the taxicab rate of fare be determined?
- Are there alternatives that would allow drivers to obtain insurance at reasonable rates without additional regulatory burden to the City?
- What should be the roles and responsibilities of various City departments in regulating, managing and facilitating the taxicab industry?

The Transportation City Service Area, with the involvement of the Taxicab Advisory Team, contracted with Schaller Consulting to complete a Study of these issues in September 2003. In October 2003, the consultant team and City staff conducted numerous stakeholder meetings to gather input on the state of the taxi industry from several representative groups, including visits to each licensed cab company in San Jose, meetings with various driver groups, and meetings with customers from the convention and hospitality industry. From October thru December 2003, the consultant assembled market data on taxicab customer service and trip activity. An

extensive review of taxicab service models in other cities was also conducted to determine whether any applicable service models or elements of service models might match San Jose's taxicab market and industry characteristics.

The results of that work led to the development of three taxicab service model options for an all-day workshop with the taxi industry, customer representatives, and City staff in December 2003. The workshop was attended by about 55 individuals who actively engaged in mixed-stakeholder group discussions on the three service models – the current model with expanded city regulation, a medallion system with closed-entry city, and an airport rotation system with an open-entry city.

Following the workshop and the analysis of the collected data, the consultant prepared the "DRAFT" Taxicab Service Model Study for review by the Taxicab Advisory Team at its January 16, 2004 meeting. The Team extensively reviewed the report to ensure understanding and discussed the conclusions and recommendations at length with the consultant. On-going discussions with the Taxicab Advisory Team on the benefits, impacts, and practicality of the recommendations will continue throughout the review and approval process by the BBT Committee to try and achieve the highest level of consensus and agreement on the best possible means to improve the taxicab industry as a whole.

Based upon feedback from the BBT Committee and on-going discussions with the Taxicab Advisory Team, the consultant is expected to finalize the Study, and staff will formulate its recommendations for the BBT Committee for its March meeting, with a report to the full City Council for action in mid-March 2004. Concurrently, staff, the consultant, and the Taxicab Advisory Team are identifying potential transition and/or implementation issues that would need fleshing out to make the consultant's recommended service model ready for implementation.

Remaining Priorities of the Taxicab Advisory Team

The TAT has completed work on other priorities identified in its 2003 Workplan. Final updates on the efforts will be reported in the March 2003 BBT Report. Following are details on the progress made on each effort to date:

- ❑ **Driver Training** – A subcommittee of the TAT has created a curriculum for an enhanced driver training program which is intended to be standardized throughout the San Jose taxicab industry. Staff has also received a proposal from the Evergreen Community College District's Institute for Business Performance to teach this curriculum through a centralized training program, which is currently being reviewed. Training program recommendations for existing and subsequent new drivers will be brought forward in March for review.
- ❑ **Marketing** – This subcommittee has developed a taxicab customer "bill of rights", collateral materials and monthly special event calendars to the cab industry. Additionally, the Convention and Visitor's Bureau coordinated a public service announcement radio campaign over the holidays that urged citizens to call a cab rather than drinking and driving.

- **Number of Cabs & Drivers** – The TAT has been tracking on a monthly basis the number of cabs and drivers at each Airport concessionaire taxicab company to monitor compliance with a voluntary cap on drivers and cabs. The work on taxicab supply and demand issues has been integrated into the Service Model Study and has been reported on as part of the Study.

- **Silicon Valley Taxicab Association** – City staff convened taxicab company owners and driver representatives in an effort to organize a private taxicab association with the overall goals of marketing and improving the viability of the industry and improving customer service. To date, stakeholders in the industry have been reluctant to formally organize into a private association. Various industry representatives have indicated that after the proposed recommendations are delivered there may be an impetus for stakeholders to organize into a industry association.

PUBLIC OUTREACH

The “DRAFT” Taxicab Service Model Study have been discussed in detail with the Taxicab Advisory Team.

COORDINATION

This report has been developed by the Departments of Transportation, Police, and Airport and coordinated with the City Attorney’s Office.

CEQA

Not a project.

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ATTACHMENT – “DRAFT” Taxicab Service Model Study