

## SUMMARY

This conference was designed to provide a forum for taxi operators and municipal governments to discuss the benefits that could result to each from the integration of services. Many transportation services can be performed better by the private sector. However, without the cooperative efforts of the private sector, municipal governments will not permit or encourage the integration of services. A change is needed in the manner in which financial support is provided to various public transportation services. This does not imply that direct operating or capital subsidies should be provided to private enterprise. However, from a contractual point of view, there is much to be gained by the use of private operators in an urban area.

## REFERENCES

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*Charles Boynton, Salt Lake City Taxicab Association*

The taxi industry has 190,000 vehicles and carries more than 2.5 billion trips a year. They carry 25 percent of the commuter traffic and serve 3,400 cities of all sizes.

The taxi serves the tourist, who is uncertain about the use of other public transportation facilities. We are in competition with rent-a-car companies at airports, and we are the backup system to many families when they have car failures.

Not so obvious but equally important to our industry is shared riding or group riding or demand-responsive transportation. We have school contracts under which we carry school children almost door to door, but sometimes corner to corner.

We have special education school contracts for carrying mentally retarded, deaf, and blind children and adults who need the care of one-to-one relations. We also have a few long-distance contracts. We are involved in programs to carry welfare recipients to nutrition, hospital, and health care centers. We also provide wheelchair transportation. We are active in the package delivery business and in jitney service.

One of the problems in the taxi industry is the retention of accumulated revenues. It results, I believe, from the tremendous impact of labor. In my own case, 95 percent of the money from the taxi meter goes to drivers, dispatchers, and clerical and maintenance people. When fuel costs go from 5 to 10 percent of revenue, that is critical.

During the past 10 years, the taxi industry has moved from employer-employee businesses to a lessee relation in which the company provides licensed system insurance, dispatching, and coordination and rents the car to the driver. We have spent a long time trying to determine the relation of the driver to the provider of the service. We have had ongoing battles with the Internal Revenue Service on whether we should

withhold taxes because of this relation. Should we pay FICA taxes? We have now defined that situation, and that is to the good of the industry and, therefore, the public. But some uneasiness persists.

The frequent entry-exit problem is best illustrated by the taxi service in Washington, D.C. That city has 8,000 licensed taxis and an estimated 1,500 on the streets in the best of times for the industry and, therefore, the worst of times for the rider. That city is full of part-time people. What does that do to the industry? I think it gives us a bad reputation. The problem in Washington is that there has been a loss of aim, a loss of purpose in what taxis are trying to do. There is no central coordination, and to improve the situation is difficult.

New York City has no less a problem. Painting all the cars yellow is a wonderful idea for making 17,000 illegal operators legal. An incredible situation! The people who have the fleet operations in New York tell us that most of the equipment that is used in the illegal operation is ripped off from them and then employed against them.

The taxi industry is moving from an emphasis on having 1 or 2 persons in the car to shared riding. Our conventions during the last 3 years have indicated an amazing trend toward change. We want to be around, and so we are adjusting fast—but we must have some financial help in one form or another.

*Robert Samuels, Yellow Cab Company, Chicago*

Governmental regulation emanates from every level of government and spans the entire spectrum from statutes to ordinances, from regulations to taxes. Federal regulation includes antitrust, social welfare, minimum wage, labor, equal employment opportunity, ecology, vehicle design, and fuel allocation. Federal taxes include income tax, withholding tax, social security tax, unemployment compensation tax, and gasoline tax. State regulation includes vehicle and chauffeur licensing, insurance regulation, unemployment compensation, workmen's compensation, labor, and minimum wage. State taxes include income tax, withholding tax, vehicle tax, use tax, real estate tax, personal property tax, gasoline tax, and unemployment compensation tax. Local regulation includes vehicle and chauffeur licensing, liability insurance, method of operation and fares to be charged, record keeping, inspection of vehicles, and regulating vehicle numbers. Local taxes include vehicle tax, inspection tax, income tax, head tax, gross receipts tax, and use tax.

All in all they constitute a melange of regulation, taxation, and reporting obligations that are difficult to administer, impossible of total compliance, and frustrating of any attempt by the industry at modernization of demand-responsive transportation service or meeting the swiftly intensifying needs of every community.

For most of 3 centuries, the regulated taxi industry has provided demand-responsive transportation, entirely by limousine and taxicab! That is to say, there has literally been no other legal DRT service! True, there have been a few legitimate jitneys, and only a few cities, such as the District of Columbia, Baltimore, and Chattanooga, have permitted taxicabs to group load at will. Lately, there have been a few DRT experiments whose legal authority is not always clear.

Governmental regulation at every level must be reviewed to permit the inclusion of more modern concepts of the 3 major areas of regulatory concern: chauffeurs, vehicles, and service. This review must come soon because the almost invariable thrust of recommendations of academia and legislators alike is to provide additional DRT service by some illegal or antisocial device or other rather than to provide the means for existing businesses to meet the problem, as reason, logic, or practicality suggests. Recommendations are largely the result of lack of reliable information concerning the capabilities of the industry.