

Taxicabs in Multimode Paratransit Operations

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Many of the discussions and decisions reached at the Conference on Paratransit will influence policy-making decisions of the International Taxicab Association. The members of the industry who attended the conference obtained additional insight and knowledge on paratransit operations that will be beneficial to the taxicab industry. With this in mind, I present the following thoughts that were developed prior to the conference.

The Urban Mass Transportation Act of 1964 has been amended and interpreted many times since it was introduced. It now appears to include the broad spectrum of public passenger transportation services. The definition of "mass transportation" as stated in the law is

The term mass transportation means transportation by bus, rail, or other conveyance, either publicly or privately owned, which provides to the public general or special service (but not including school buses or charter or sightseeing service) on a regular and continuing basis.

This is an extremely broad definition. In fact, a search of the Congressional Record for the "intent of congress" produced only one response on the question of "mass transportation." Senator Dominick made some brief comments that were not responded to, and part of his statement is as follows:

This could be in a steamship, it could be in a freighter line, it could be in a helicopter service, it could be in an airline, it could be in a ferry line, it could be in any single bit of conveyance at any place in the country, moving inside and outside the country as included within the words of the definition. The question of who is going to get the grants and who is not is left in sole discretion of the administrator.

Since there was no reply to Senator Dominick's comments, it would appear that the administrator of the Urban Mass Transportation Administration would have some latitude in defining what mass transportation is.

The first public commitment that shared-ride taxicabs could participate in UMTA funding was in a speech by C. Kenneth Orski of UMTA before a taxicab meeting in New York, April 30, 1975. He placed special emphasis on the fact that taxicabs in the paratransit mode must satisfy the test of mass transportation and offer a service to the public on a regular and continuing basis. The taxicab industry considered this a substantial breakthrough. It would seem, however, that the message has not been received by some transit authorities and metropolitan planning organizations. The frustrations of taxicab owners have led to litigation. Without dwelling on the Orange County and

Santa Clara, California, court decisions (1, 2), simply stated, they say that paratransit operations cannot compete with existing private systems. If anyone has any doubt as to the full impact of these decisions, the text should be read in full.

The taxicab industry firmly believes that its future depends on constant improvement of urban public passenger transportation. The disruption of transit or paratransit operations in a community for any extended period of time results in the loss of passengers to the remaining service. Improvements in the coordination of intermodal services are vital and can no longer be delayed or ignored. The transit industry is defining the areas in which its programs and efforts must be concentrated. The paratransit industry must do likewise even though, because of the diversified modes of service, the problems and solutions are more complex.

The taxicab industry considers its operations to cover a broad area of paratransit services. The industry is now talking in terms of exclusive-use taxicabs and shared-ride taxicabs. The practice of shared-ride taxicabs is more universal than previously estimated. And we will continue to expand. Some 15 paratransit services were listed on a 1973 questionnaire, and many represented substantial portions of taxicab operations. The taxicab industry has substantial operations in package delivery, handicapped and elderly services, transportation of school children, hospital patients, and government employees. The taxicab industry is flexible, is willing to diversify, and is willing to experiment. The 1973 statistics as reported in a recent study (3) establish an in-place existing paratransit system that would cost \$4.1 billion to replace.

In 1973 the industry transported 3.4 billion passengers as compared with 4.6 billion for urban bus transit and 1.9 billion for urban rail transit. The employee level in the taxicab industry was 3.5 times that of the mass transit industry: 494,000 taxicab employees compared with 140,000 transit employees. There were 6,467 taxicab operators and 262,000 service vehicles. Eleven different types of vehicles were used in taxicab company operations. All taxicab operations were in the private enterprise section of the economy.

If it were not for a number of events that occurred during the past 10 years, it is conceivable that the taxicab industry would not have been represented at this conference. In 1966 the taxicab industry first felt the impact of regulations from the U. S. Department of Transportation. In 1966 the taxicab industry first came under the Fair Labor Standards Act. In 1969 a ruling by the Internal Revenue Service on leasing altered a considerable number of taxicab operations in the United States. The Occupational Safety and Health Administration, the Federal Energy Administration, and the Environmental Protection Agency have had a substantial effect on taxicab operations.

In a period of 10 short years, an industry that had had an association for some 50 years was required to reorient its thinking from local and state regulations and add the impact of the federal government. In spite of all the myths about the influence of associations on government agencies and legislation, only a few wealthy associations have such an influence. The taxicab industry association must limit its efforts to responding to government actions and legislation and not initiating its own positions. Therefore, it heavily depends on an open, constructive relation with government agencies and industry consultants.

The major concerns of the taxicab industry at this moment are maintaining and expanding ridership, controlling costs, diversifying operations, and integrating services with other modes. The industry is fighting for economic survival. It is difficult under present conditions to imagine that small-fleet operators will be able or will even desire to remain in the taxicab industry. Thirty-six percent of the taxicab operators in the United States have fewer than 10 vehicles. Only as a husband and wife team working long hours and realizing little return on their investment and accepting salaries that may be less per hour than their drivers receive can these companies continue to exist. Mergers and consolidations are taking place, but many regulatory and operational problems occur.

There cannot be 2 sets of rules: one for government-owned operations and another for private enterprise companies. It is hard to imagine the placing of publicly owned transit systems back in the private sector, nor do the taxicab operations care to become government owned and operated. Then, there must be an accommodation. It seems

reasonable that the government agencies involved should seek the most cost-effective method of providing urban public passenger transportation. The taxicab industry believes that in certain modes of operations its productivity and cost performance is superior. Therefore, to provide an equitable arrangement in public passenger transportation, the industry advocates the following:

1. Subsidize the rider,
2. Enter into contractual arrangements for public passenger transportation with private companies that are the most cost efficient, and
3. Provide direct subsidies for capital improvements and operations to private companies that are currently providing services below replacement and operating costs of a new system.

The industry association strongly favors the first recommendation of subsidizing the rider and hopes that the additional recommendations would not need to be implemented.

The taxicab industry believes research and study are necessary for the future of urban public passenger transportation. The industry has achieved operational and managerial improvements as a result of the studies prepared by individuals who attended this conference. The association is grateful for the statistical and economic research that has been undertaken on behalf of the taxicabs and funded by the U.S. Department of Transportation. One of the most important contributions, not yet recognized, is the establishment of definitions of terms that have been used by the taxicab industry for some 50 years. This is part of the compendium of regulations (4) and will provide for the first time uniform terminology in the taxicab industry eliminating the confusion that has existed in the most recent studies. In addition to these studies, the taxicab industry has completed a proposed uniform reporting system along with an instruction manual and adaptable computer program (5,6). These projects will enable the taxicab industry to do substantial financial and economic analysis on a continuing basis.

Areas in which the taxicab industry is particularly interested in having further study done are

1. Current ridership characteristics,
2. The effect of liability insurance rates on transportation costs and possible alternatives such as self insurance,
3. The effect of terminating demonstration projects and creating a transportation void within a community,
4. Cost-effective studies comparing various modes of transportation, and
5. Measures of productivity.

The industry association is pleased that studies are being conducted under government grants and subsidies in areas such as vehicle design, low-pollution engines, and performance standards for vehicles. The broadening of the areas to include total systems rather than small segments often reflecting unusual variations from the norm will lead to wider acceptance of research findings by leaders within the taxicab industry.

The taxicab industry does not have the resources in the areas of research and development. The strong points of the industry are in the operation and management, and it is hoped that the expertise available in these areas will be used in seeking solutions to the urban public passenger transportation problems.

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