Update on Taxicab and Jitney Regulation in San Diego

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Jitneys have become an important part of the private-sector-operated transportation in San Diego. They have not usually been an issue in studies of paratransit regulatory change, but in San Diego there had been significant development. Our study of jitneys has so far been limited to monitoring the new developments, mostly by collecting secondary data and by holding discussions with those involved in the jitney industry in San Diego. We hope that the city will soon have the resources to collect new data for the study.

In this talk I am going to go over the past and recent regulatory changes regarding jitneys, the changes in the industry size and structure, how the jitneys operate, the markets they serve, and some key issues as I see them.

Before the 1979 regulatory changes, the jitney services were covered under an automobile-for-hire provision in the old paratransit code. Passengers could be charged only on an hourly or a mileage basis. Automobile-for-hire permits were easier to obtain than taxi permits, which required a Certificate of Public Convenience and Necessity. In 1979 the city of San Diego reviewed its paratransit code; the changes focused mostly on taxis, but there were provisions for other modes. Jitneys and the vehicles for hire, as they were called then, were defined as separate services. Jitneys were allowed to charge on a per-passenger basis, and they were to run on predetermined routes. Rates and routes were not regulated, but they had to be filed with the city. Like taxis, if jitneys were out of service for more than 30 days, their permits expired.

There have been some changes recently. There was some pressure from the jitney operators to establish what are called holding areas where jitneys can wait to pick up passengers. The city responded by adding a provision for establishing holding areas where jitneys can wait up to a maximum of 5 min. Jitneys are also required not to run too close to the bus schedules along the bus routes, and they are not allowed to use bus stops in the downtown area.

The industry size and structure has changed quite a bit since 1979. In 1978 there were six companies. They operated 15 vehicles along three routes. By the end of 1981, the industry had nearly doubled to 11 companies operating 58 vehicles on about 40 routes. One major operator owns three companies and a total of 13 vehicles. There are another 11 operators with three to five vehicles each; the remaining six operators have one vehicle each. Some operators have both taxis and jitneys. Some jitney vehicles are licensed as both jitneys and vehicles for hire; they can operate in either mode.

The supply of jitneys is highly variable, depending on anticipated demand, for example, whether a ship is coming in to port or whether it is military pay week. A count of jitney vehicles at military bases about a year ago showed that there were almost twice as many vehicles in weekday service during military pay week as there were during other weeks. The weekend supply of vehicles appears to remain nearly constant over time.

Some companies have arrangements with observers or spotters to call in when potential demand is observed. For example, when a ship is rounding the point or when a bar is letting out, a spotter will call in and the vehicles will then be dispatched by radio.

There is also service to the airport. Jitneys are confined to one area in the main passenger terminal. The smart operators usually know the plane schedules, and they will plan their service there accordingly.

Typically, each vehicle is licensed to serve more than one route, and the vehicle is required to display a sign showing its route before any passengers board. But the usual practice is to wait for passengers to board and then decide on the route.

Vehicles are typically 12- to 20-passenger vans. The fares are charged on a per-passenger basis. It is usually more expensive for a single passenger to take a taxi than a jitney, but it is usually less expensive for two or more persons who travel together to take a taxi and share the ride. The drivers, though, can bargain with groups of passengers. Drivers are typically owner-operators or employees. The usual arrangement for employees is to split the revenue with the owner after the owner takes a deduction for gasoline and maintenance. A driver’s earnings for a 12-hr shift typically range between $50 and $100.

The drivers tend to regard jitney driving as much better paying with a lot fewer hassles than taxi driving. The markets have changed quite a bit since the regulatory changes. In 1978 the market was mostly tourists, with some military patrons. There were routes between downtown and the airport, the airport and the hotels, and the downtown and the Mexican border. Since the changes in 1979, there has been a large increase in the military market, and jitneys have captured a substantial share of the bus and taxi business to military bases. There has been an increase in service among the communities near the Mexican border, and there have been increases in the tourist market.

The large growth in the tourist market includes new routes between the hotels and tourist attractions. There are new types of service also. The horse carriages in Balboa Park are considered jitneys under the code. One operator has also begun to run vans made to look like old trolleys, which have been quite popular. These serve such tourist areas as the Gas Lamp and Old Town. The fares are usually very low, about 25 cents, which, of course, doesn’t pay for the service. Most of the rest of the service is paid for by carrying advertising by merchants in the area. This is an example of private-sector cooperation to
provide transportation. These trolley-vans also work as vehicles for hire during periods of low tourist activity. When they operate as jitneys, the trolley-vans are regarded as moving advertisements for the operator’s vehicle-for-hire service.

We know very little about the current total ridership on jitneys because there have been so many changes and so little data has been collected. The previous study of the taxi regulatory changes in San Diego looked at jitney ridership in mid-1981; it was estimated to be about 1,600 passengers per day. This was equivalent to about 15 percent of the estimated taxi ridership at that time and about 2 percent of the transit ridership.

Military passengers accounted for almost 40 percent of the riders, or about 600 per day. Jitney ridership counts taken at the military bases only about a year ago showed the ridership to be about 2,000 a day, or more than three times the estimated military ridership in 1981. The major jitney operator considers even this figure to be too low. Nevertheless, it is clear that jitney ridership is a significant percentage of paratransit ridership in San Diego. We need to take actual counts to better determine the patronage by market.

As I see it, there are three important issues in looking at the jitney: (a) the conflict between public transit and the jitney, which has been a historical battle; (b) conflicts between taxis and jitneys; and (c) the general issue of enforcement.

There has been quite a lot of conflict between public transit and the jitneys in San Diego. Jitneys have competed successfully for much of the military market formerly carried by public transit. San Diego Transit has had no particular objection to this because they have had to reduce service during nights and weekends because of budget cuts. Much of the patronage during those times was from the military.

But transit does complain about unfair competition from jitneys. Transit staff charge that jitneys travel just ahead of buses on busy routes to “scoop” bus passengers. For example, they say that a jitney will go along the bus route and tell passengers, “The bus is broken down, and I am coming along to pick you up.” They also say that jitneys interfere with bus operations, especially in the downtown, by stopping to pick up passengers by bus stops. Transit would like to prevent jitneys from traveling along the bus routes just ahead of buses. Transit would also like to have the authority to veto applications for new jitney routes when they conflict with bus service. The city’s response is that transit has no exclusive right to use bus stops. Transit can comment on, but they should not be allowed to veto, new route applications by jitneys. There has been some resolution of these issues. Jitneys are now allowed to stop only at special jitney stop signs in the downtown area; San Diego Transit paid for the installation of these signs.

Jitneys are not allowed to precede buses too closely. If the bus headways are greater than 20 min, jitneys cannot go along the route within 10 min of a bus. If the bus headways are less than 20 min, jitneys can go along the route only between the scheduled bus arrivals. Jitneys have also been rerouted through some parts of the downtown to minimize the conflicts with traffic and transit, but San Diego Transit is still concerned. They say that jitneys continue to violate regulations. There is a system whereby bus drivers can report possible violations by jitneys; they note such infractions as deviation from routes, scooping bus passengers, and stopping at transit stops.

San Diego Transit believes that jitneys have a useful niche to fill. They have even offered to show jitney operators where transit doesn’t run and where jitneys could be free to develop their own markets. They ask, “If jitneys take away transit’s bread and butter, which is the high-productivity routes, then how is transit going to survive, especially in these times? And then how is the public going to be guaranteed that jitney service will always be around when it is needed?”

But jitneys can serve as a complement to transit. In the previous case study of taxi regulatory changes in San Diego, it was found that the trolley operator regarded jitneys in the areas near the Mexican border as useful feeders to the trolley. San Diego Transit itself is now funding a fixed-route taxi service of its own, which is effectively a jitney. It acts as a feeder to the bus, and it has been quite successful.

There have also been conflicts between taxis and jitneys. Some taxi operators have alleged that jitneys compete unfairly by choosing their own routes after they pick up passengers and not before, as they are supposed to. They also say that jitneys deviate from their routes and that jitney holding areas allow jitneys to operate as taxis waiting at the stands. Jitneys are in effect operating as taxis, but they are not subject to the taxi regulations. For example, there is still open entry and jitney fares are not regulated. Taxi drivers have also alleged that jitneys will scoop groups of potential taxi passengers.

Jitney operators respond that taxis are blaming jitneys for problems they have brought on themselves. Among the problems they cite are operating vehicles in poor condition, grouping passengers for long hauls, and charging excessive rates of fare. Jitney operators say that in order to be able to survive, they have to make use of the holding areas and they have to be able to change routes as they please. Jitneys also allege that taxis scoop jitney passengers.

The city’s position is that the official holding areas have not yet been established. There have been no official requests for them, but an unofficial holding area has been developed downtown. They say that jitneys are supposed to declare their routes beforehand, but this and other alleged abuses are extremely difficult to prevent.

I think that enforcement is a very important issue when you are talking about regulatory changes. The enforcement task does not decrease. You are still looking to enforce regulations that are there, and there is more scope for abuse. So you have to strictly enforce the regulations that are left, and a lack of enforcement has been perceived as a major problem by both taxi and jitney operators.

In 1978 San Diego had 62 taxi companies with 411 taxis and 3 jitney companies with 15 jitney vehicles; there were two persons from the police department to enforce the paratransit regulations. In 1984 there were over 300 taxi companies operating more than 900 taxis and 21 jitney companies operating 58 vehicles, and there are still only two enforcement officials. There are complaints by taxi and jitney operators that even when abuses are observed and reported, there is not enough manpower to enforce the regulations. But strangely enough, enforcement doesn’t appear to be regarded by the city council as an important issue.

In summary, the jitney industry has grown substantially since the paratransit regulatory revisions in San Diego in 1979. Most of this growth is due to changes in the code that provided
explicitly for jitney service, but some growth is probably due to the transit cutbacks that were going on at the time, because Proposition 13 had been passed the year before. The jitney industry serves a variety of markets in San Diego, and it fills some useful niches. For example, it provides late-night and weekend service to the military bases that transit cannot economically provide. It also provides service that is tailored to the needs of the special markets.

Airport passengers like the direct service to military bases, the downtown, and the hotel area. Jitneys offer some advantages over taxis. Unlike the taxi, which has variable rates of fare, a jitney has a set total fare to different places. So, for example, if you are going to board a jitney at the airport, you know what it is going to cost you to go to Hotel Circle. Jitneys play a significant role in the San Diego paratransit industry, but there are still many problems remaining to be resolved. These include the resolution of conflicts between jitneys and other modes and determination of how to provide a level of enforcement that is perceived as adequate by all concerned parties.

Impacts of Comprehensive Urban Transportation Deregulation in Arizona

ROGER F. TEAL

My paper has a somewhat broader focus than those of the previous presentations. So far we have talked primarily about taxicabs and jitneys. In Arizona the entire motor vehicle common carriage industry in the state was deregulated in mid-1982. This includes trucks, buses, taxis, airport vehicles, and the like. The deregulation was complete, and I do mean complete. There are no entry restrictions, no exit restrictions, no pricing restrictions, no service standards. Operators are still required to carry insurance. However, the oversight of those financial responsibility requirements is quite minimal, and there is a suspicion that many of the single-cab operators in the taxicab industry either do not carry adequate insurance or do not carry any insurance whatsoever.

In general, there is no regulatory oversight. Whatever you want to do as a transportation entrepreneur, you can do, as long as it doesn’t break any other laws in the state. I am going to report on the paratransit aspects of Arizona’s deregulation. That deregulation has been in effect now for about 2½ years.

I have identified several impact areas for which it would have been desirable to have gathered some information. These are entry, exit, prices, service innovation, industry structure, company and industry productivity, profitability, labor, and safety. For several of those areas we were able to gather sufficient information to come to some conclusions about what the impact of deregulation had been. For others, namely, safety and operator profitability, there is simply no information available.

I should emphasize what the data collection problems are in a completely deregulated economic environment. No operator records are required by the state. It is not like Seattle or San Diego where operators have to file fares and get a license from the city to go into business. There is no way of even knowing at the state level how many taxicabs are in the industry. All that is needed to join is a driver’s license and a vehicle registration certificate.

Therefore, we had to resort to provider surveys to obtain most of our information. Only in extreme cases could we find out anything about the financial status of companies other than those who were willing to cooperate fully with us. By extreme cases I mean the sale of a company or a company going out of business. Thus I must emphasize the limitations in our data collection. We were forced to rely on provider surveys, and we were very much aware that this created some limitations, perhaps some significant ones, on the accuracy of the data. Given the situation, however, there was simply no other way to do it. In addition, we were not operating with a huge budget, it was not possible to spend months and months in the field to collect this information.

Those paratransit services for which we had at least some information about the key issues of entry, exit, prices, and service were the taxi industry, the demand-responsive transit industry (both subsidized and unsubsidized), airport transportation, commuter transportation (by which I mean vanpool and bus services), and any jitney services or their variants.