



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of June 13, 2009**

**DATE:** June 4, 2009

**SUBJECT:** An Ordinance to Amend Chapter 25 (Taxicabs) of the Code of Arlington County, Virginia ("Code"), and to Re-Adopt it as Chapter 25.1 of the Code, concerning the Regulation, Operation and Control of Taxicab Service, Taxicab Businesses, Owners, Drivers and Passengers, including the Establishment of Rates and Charges for Taxicab Service, to Be Effective upon Re-Enactment

**C. M. RECOMMENDATIONS:**

1. Enact an ordinance to amend Chapter 25 (Taxicabs) of the Code of Arlington County, Virginia ("Code"), and adopt it as a new Chapter 25.1 of the Code, as shown in Attachment 1, concerning the regulation, operation and control of taxicab service, taxicab businesses, owners, drivers and passengers, including the establishment of rates and charges for taxicab service, to be effective upon enactment.
2. Authorize an additional (1.0) FTE in the FY2010 operating budget, supported by revenue from a per-taxicab fee on certificate-holders.
3. Appropriate \$115,000 in revenues (101.325902.41101) to the FY 2010 Transportation Division, Transportation Planning Bureau.

**ISSUES:** Since the May 19th meeting with the Board, at which a new Chapter 25.1 (Taxicabs) (Attachment 1) was authorized by the Board for advertisement for a public hearing, discussion has focused on the following three issues: a) fuel-efficiency standards given recent news on new federal CAFÉ standards, b) the rationale for a gasoline surcharge, and c) the methodology that is intended to be used in the biennial consideration of rates of fare.

**SUMMARY:** Staff has worked intensively with the Transportation Commission, the taxicab industry and interested stakeholders to develop a new taxicab ordinance to replace the existing Chapter 25 (Taxicabs) of the County Code. At the May 16<sup>th</sup> meeting (recessed session of May 19<sup>th</sup>), the County Board authorized advertisement of an ordinance for public hearing at the June 13<sup>th</sup> County Board meeting. Major features of the new ordinance include regular, biennial processes for consideration of rates of fare and certificate increases. A new annual fee is also

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Staff: Kelly Cornell, DES/DOT  
Matt Owens, Police Department, Taxicab Inspector  
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proposed, per taxicab authorized, to help fund improved data collection and analyses needed to provide a solid statistical basis for these processes.

**BACKGROUND:** Arlington's Taxicab Ordinance (Chapter 25 of the County Code) was developed several decades ago. Since then, there have been periodic changes to certain individual sections of the ordinance, every few years to increase rates of fare, and to address specific issues such as service to people in wheelchairs. In 2005, because of long-standing concerns with some of the processes specified in the existing ordinance, work was initiated to develop a new ordinance. The consultant study and community process that led to a draft ordinance that was considered by the County Board at its March 14, 2009, meeting (recessed session of March 17<sup>th</sup>) are described in the report to the County Board dated March 13, 2009 which (without its attachments) is Attachment 2 to this report.

At that County Board meeting on March 17<sup>th</sup>, there were comments from the Transportation Commission, the taxicab industry and citizens about the concepts and language of the draft ordinance. The County Board voted to authorize advertisement of a proposed new ordinance for a public hearing at the April 25, 2009, meeting. Board members provided guidance on the issues and potential changes to the advertised ordinance that they wanted considered. In the subsequent several weeks leading up to the April 25<sup>th</sup> hearing, staff worked with the stakeholders to develop some changes to the ordinance. At the April 25<sup>th</sup> hearing, the County Board approved the County Manager's recommendation that the advertised ordinance not be enacted, so that issues and potential changes would be considered further. Staff continued to work on changes, and developed a new version of the ordinance that was considered by the County Board at the May 16<sup>th</sup> meeting (recessed session of May 19, 2009). Attachment 3 is the report to the County Board of May 15, 2009, without its attachments. Attachment 3 provides a discussion of the issues raised when the County Board's considered the original advertisement recommendation, on March 17<sup>th</sup>. On May 19<sup>th</sup>, the County Board authorized advertisement of an ordinance for a public hearing at the June 13<sup>th</sup> meeting.

**DISCUSSION:** At the County Board meeting on May 19<sup>th</sup>, the County Board discussion led to four substantive changes, as described below, to the version of the ordinance that was recommended to be advertised. The Board's changes were incorporated in the advertised ordinance. In addition, on May 19<sup>th</sup>, the County Board questioned the methodology that is intended to be used in the biennial consideration of rates of fare, and the rationale for a gasoline surcharge.

In Section 25.1-4, which specifies how the County Manager will determine, at the outset of the biennial process for considering certificate applications, the desired number of taxicabs, subsection 25.1-4(a)(3) on competition was expanded so that the County Manager will consider "and of the goal of preventing the disadvantageous effects on competition, the quality of Taxicab service, and the public health, safety, and welfare resulting from a concentration of the total authorized Certificates in any one Certificate-holder."

Based on testimony from a representative of Red Top Cab, the definition of the word "transfer" in Section 25.1-2 has been clarified by adding language that a transfer includes changes in certificate-holders. Since the advertisement, the definition of "transfer" in Section 25.1-2 has been further refined, as indicated in the ordinance designated as Attachment 1.

There was also discussion about the fuel-efficiency standards that are specified in Section 25.1-19(n) in view of an emerging consensus of the federal government and auto industry about higher mile-per-gallon (mpg) standards overall. It is unclear at this point how a higher overall standard may be applicable to the specific vehicles that are suitable for taxicab operation so, rather than changing any mpg thresholds in the ordinance, language was added to specify that in meeting the thresholds in the ordinance, certificate-holders also need to meet any more-stringent federal standards that may be adopted.

Since the initial version of a new taxicab ordinance was developed in February, the issue of prohibitions on smoking has moved to the forefront. In April, when the Transportation Commission considered the version of a new ordinance that was recommended then for advertisement, the Commission recommended that the County Board not advertise a new ordinance unless the smoking prohibition were strengthened. Then, in the version of the ordinance for the May 16<sup>th</sup> County Board meeting that was recommended for advertisement, the smoking prohibition was expanded to include passengers, as well as drivers when there is a passenger in the vehicle, being prohibited from having a lighted cigarette, cigar or pipe when a taxicab is engaged in taxicab service. The County Board directed that the title of the subsection (25.1-17(e)) be changed and that the ordinance specify that a sign be posted in every taxicab. These changes were included in the advertised ordinance.

#### Methodology for Biennial Consideration of Rates of Fare

Section 25.1-16 specifies how rates of fare may be adjusted. A regular, biennial process is proposed for considering rates. In-between these considerations every two years, as is discussed in the next section of this report, should gasoline prices spike up or down substantially, thresholds are specified in the proposed ordinance to allow increases and decreases in a surcharge amount, without requiring ordinance changes. For any reason, and at any time, the ordinance also permits the County Board to consider changes in rates, by amending the ordinance.

Subsection 25.1-16(e) includes language about using the Consumer Price Index and related transportation cost indices appropriate to the determination of changes in rates of fare. More specifically, when the proposed consideration of rates in odd-numbered years comes up in 2011, it is intended for staff to use a set of indices produced on a monthly basis by the federal Bureau of Labor Statistics (BLS) (as shown in Table 1 on the next page), as the primary determinant of the appropriate level for rates. These indices are intended to reflect the various components of industry cost. For example, there is an index for private transportation maintenance and repairs, and the change in that index would be used to approximate the change in maintenance and repair costs for the taxi industry, with those costs representing five percent (weight of 0.05) of the industry's overall costs.

Table 1: BLS Indices for Consideration in Biennial Fare Review

Taxicab Cost Element	BLS Index	Weight
Salaries, Wages and Profits	CPI	0.62
Vehicle Purchase	New Cars	0.15
Fuel	Motor Fuel	0.10
Insurance and Other	Other Private Transportation Services	0.08
Maintenance/Parts/Equipment	Private Transportation Maintenance/Repairs	0.05

The use of these indices that are based on nationwide data is intended to provide a solid direction for rate considerations, but there are local considerations that may be significant enough to modify an index or the weighting. For example, currently, the major change to Arlington’s taxi fleet to bring in hybrid vehicles is not reflected well by using the BLS index for vehicle purchase. In Attachment 4, the use of these BLS indices, combined with consideration of Arlington’s fleet changeover, for assessing the appropriate current rate level is discussed in detail.

Although this set of indices, combined with any local considerations, is intended to provide guidance about the magnitude of change (if any) for the overall level of rates, the proposed process is for the industry to make applications that would specify the individual components of a rate change. Such applications could be for rates that would be consistent with the overall level of rates that this set of indices supports, or not. The final decision on both the overall level of rates and any changes to the individual components would continue to be made by the County Board.

Rationale for Ordinance-Specified Gasoline Surcharges

The process and precise price levels for enacting, increasing, decreasing and removing gasoline surcharges are specified in Section 25.1-16(h). This is intended as a contingency measure that should not be needed on a regular basis, but the increasing volatility of gasoline prices in the last several years has pointed to the value of having such a contingency measure. The surcharge amounts and price thresholds to which they apply are specified in the ordinance, so that they can be implemented and removed without further Board action. Whether the ordinance is amended on an emergency basis or through the regular process of authorizing advertisement followed by a public hearing, it is a staff-intensive and expensive process that could be difficult to implement should gasoline prices rise quickly, and especially if they rise and then yo-yo in both directions. As happened in 2008, gasoline surcharges of fixed amounts can be implemented and then, should they later be determined to be long-lasting, be replaced by a rate change that reflects the mileage rate as well as the initial charge. Changing the mileage rate means changes to the taximeter in every taxicab, resulting in a significant lag time between the approval of rate change and implementation of it. As such, surcharges can be preferable to metered-rate changes when rates need to change frequently.

The gasoline price at which a surcharge would be established is proposed at \$3.35 per gallon. This is considerably more than the current price, so it is not likely that a surcharge would be implemented anytime soon. Between now and 2011 when the next regular biennial review of rates would take place, gasoline prices could move substantially in either direction. Having

gasoline surcharge thresholds in place, to implement and remove as needed, could be a helpful contingency, particularly if gasoline prices were to increase rapidly and impose substantial additional costs upon taxicab drivers. Rates may be considered by the County Board at any time so if a surcharge is put in place and thought to be too much or too little, it can be changed through an ordinance amendment. At the time of the regular biennial consideration of rates, or if there are rate changes considered that include changes to the mileage rate, the thresholds for gasoline surcharges would need to be considered as well.

**FISCAL IMPACT:** The proposed fees detailed in Table 2 include annual certificate fees, certificate-application fees, and license and inspection fees. The proposed annual certificate fee of \$150 per taxicab (in Section 25.1-5(b)) is estimated to produce \$115,000 beginning in FY2010. This fee, assessed on the basis of number of taxicabs authorized, would be used to fund the cost of a 1.0 FTE staff person, along with some contracting, for data collection and analysis for the ongoing efforts to conduct the anticipated certificate and rate processes. The additional 1.0 FTE is recommended in conjunction with enactment of the ordinance, including a per-taxicab fee for certificate-holders.

Certificate-application fees will not be collected until the next opportunity to apply, in FY2011, and then will follow a biennial process. Fee revenue from the biennial certificate-application fee is projected to be up to \$25,000. The license fees proposed in Section 25.1-9(i) and inspection fee in Section 25.1-21(b) are estimated to produce about \$90,000 annually, roughly twice the amount raised at the fee levels in the current ordinance. This revenue would reduce the net tax support for the Hack Inspector and other staff who participate in the taxi-regulation process.

**Table 2: Taxicab Fees**

	Current Fees	Proposed Fees
<b>Certificate Fees:</b> <sup>1</sup>		
Annual Fee	none	\$150/vehicle
Application Fee	\$25	\$100/additional vehicle <sup>4</sup>
<b>Driver License Fees:</b> <sup>2</sup>		
Initial Year	\$30.00	\$65.00
Renewal (per year)	\$20.00	\$40.00
Retest	\$15.00	\$30.00
Replacement	\$10.00	\$20.00
<b>Vehicle Inspection Fees:</b> <sup>3</sup>		
Each Inspection	\$10.00	\$20.00

<sup>1</sup> Paid by existing and prospective companies

<sup>2</sup> Paid by drivers

<sup>3</sup> Paid by vehicle owner

<sup>4</sup> Minimum of \$500 for new companies

AN ORDINANCE TO AMEND CHAPTER 25 (TAXICABS) OF THE CODE OF ARLINGTON COUNTY, VIRGINIA (“CODE”) AND ADOPT IT AS A NEW CHAPTER 25.1 (TAXICABS) OF THE CODE, CONCERNING THE REGULATION, OPERATION AND CONTROL OF TAXICAB SERVICE, TAXICAB BUSINESSES, OWNERS, DRIVERS, PASSENGERS, INCLUDING THE ESTABLISHMENT OF RATES AND CHARGES FOR TAXICAB SERVICE, TO BE EFFECTIVE UPON ENACTMENT.

1. Be it ordained by the County Board of Arlington County, Virginia that Chapter 25 of the Code of Arlington County, Virginia entitled “Taxicabs,” concerning the regulation, operation and control of taxicab service, taxicab businesses, owners, drivers, and passengers, including the establishment of rates and charges for taxicab service, is hereby amended and reenacted as Chapter 25.1 to read in its entirety as follows:

**Chapter 25.1**  
**TAXICABS**

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- §25.1-1. Purpose and persons covered.**
- §25.1-2. Definitions.**
- §25.1-3. Certificate of public convenience and necessity.**
- §25.1-4. Determination of number of taxicabs, issuance of certificates.**
- §25.1-5. Annual certificate fees and application fees.**
- §25.1-6. Certificate form and term.**
- §25.1-7. Insurance requirements.**
- §25.1-8. Suspension or revocation of certificates.**
- §25.1-9. Public vehicle driver’s licenses.**
- §25.1-10. Appeal from suspension, revocation or denial of a certificate or public vehicle driver’s license.**
- §25.1-11. Records and reports.**
- §25.1-12. Rate schedule, tolls, payment.**
- §25.1-13. Rate display cards.**
- §25.1-14. Duty of driver and certificate-holder to charge authorized fare or charge.**

**§25.1-15. Duty of passenger to pay fare or charge.**

**§25.1-16. Adjustments in rates of fare.**

**§25.1-17. Operation of taxicabs.**

**§25.1-18. Taximeters, maintenance and inspection thereof.**

**§25.1-19. Vehicles and contents.**

**§25.1-20. Age of vehicles.**

**§25.1-21. Inspection of taxicabs; inspection fee; procedure when taxicab is found in unsafe, unfit or unclean condition.**

**§25.1-22. Obstruction and hindering of official duties; false statements.**

**§25.1-23. Transfer of certificates.**

**§25.1-24. Notification in taxicabs of proposed amendments to this chapter.**

**§25.1-25. Rules and regulations.**

**§25.1-26. Compliance with this chapter and reciprocity agreements.**

**§25.1-27. Enforcement.**

**§25.1-28. Penalties.**

**§25.1-29. Effect of enactment of this chapter.**

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**§25.1-1. Purpose and persons covered.**

(a) The purpose of this Chapter is to regulate and control Taxicab Service in Arlington County, the operation of Taxicabs for hire, rates and charges for service, and the character and qualifications of operators through the issue of Certificates of public convenience and necessity, in order to preserve the health, safety, welfare and property of Arlington County citizens and the public at large, and recognizing the importance of addressing the disadvantageous effects on competition, the quality of Taxicab Service, and the public health, safety, and welfare resulting from a concentration of the total authorized Certificates in any one Certificate-holder.

(b) Persons covered. Any Person who transports individuals for hire in a Taxicab, engages in the Taxicab Business, or provides Taxicab Service in Arlington County shall be governed by the provisions of this Chapter. Persons covered also include Certificate-holders, Drivers, Passengers and any other Person who is an Applicant for authority pursuant to this Chapter.

**§25.1-2. Definitions.**

Unless it clearly appears from the context that a different meaning is intended, the following words and phrases, when used in this Chapter, shall have the meanings ascribed to them by this section:

Applicant means any individual, company, corporation, partnership or other such legal entity that seeks a Certificate, a Public Vehicle Driver's License, or an amendment, modification, or revision to such Certificate or Public Vehicle Driver's License.

Certificate means the certificate of public convenience and necessity issued to Persons in the Taxicab Business as provided in this Chapter. A Certificate indicates the total number of Taxicabs which the Certificate-holder is authorized to operate in Arlington County.

Certificate-holder means any Person that has been granted a Certificate.

County Board or Board means the County Board of Arlington County, Virginia.

County Manager means the County Manager of Arlington County, Virginia.

Day means a calendar day, unless otherwise provided in this Chapter. If the last day on which to satisfy an obligation set forth in this Chapter is a Saturday, Sunday, federal holiday, or County holiday, then the obligation shall not be required to be satisfied until the next day which is not a Saturday, Sunday, federal holiday or County holiday.

Driver means the individual who operates, or is in actual physical control of, a Taxicab on a street, highway, or other place open to use by the public for the purpose of vehicular travel.

Passenger means a person carried or transported in a Taxicab in consideration of a fare.

Person(s) means any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, or any other legal or commercial entity, and any successor, representative, agent, agency, or instrumentality thereof.

Person with Disability means any individual person who has a physical or mental impairment which substantially limits one or more major life activities of that individual, an individual person who has a record of such impairment, or who is regarded as having such impairment. For the purposes of this Chapter, the term "major life activities" means functions such as, but not limited to, caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

Prepaid Purchase means the advance payment, for ten (10) or more Taxicab trips.

Public Vehicle Driver's License means the license issued to a Taxicab Driver by the County Manager, or his designee, authorizing the Taxicab Driver to operate a Taxicab pursuant to this Chapter.

Service Animal means any animal individually trained to work or perform tasks for an individual with a disability, including, but not limited to, guiding individuals with impaired vision, alerting individuals with impaired hearing to intruders or sounds, providing minimal protection or rescue work, pulling a wheelchair, or fetching dropped items. Some, but not all, service animals wear special collars and harnesses. A pet is not necessarily a service animal.

Taxicab or Other Motor Vehicle Performing Taxicab Service means any motor vehicle having a seating capacity of not more than six (6) passengers, excluding the driver, not operating on a regular route or between fixed terminals, used in the transportation of passengers for hire or for compensation, and not a common carrier or restricted common carrier as defined in Chapter 20, Title 46.2 of the Code of Virginia.

Taxicab Business means the activity of transporting Passengers for compensation by a Taxicab or other vehicle performing a Taxicab Service.

Taxicab Inspector means the individual or individuals appointed by the Chief of Police and authorized to enforce specified provisions of this Chapter.

Taxicab Service means the operation of any Taxicab upon any street, highway, or other place open to use by the public for the purpose of vehicular travel, on call or on demand, accepting or soliciting passengers indiscriminately for transportation for hire between such points along streets or highways as may be directed by the passenger or passengers so being transported.

Taxicab Stand means a location which has been designated by signage for use by Taxicabs for passenger hire.

Taximeter means an instrument or device by which the charge for hire of a Taxicab is calculated by either distance traveled, or waiting time, or both, and upon which such charge shall be indicated by figures.

Transfer means any transaction in which an ownership interest, rights or obligations or other interest in a Certificate-holder or its Taxicab Business, or permission granted by a Certificate, is proposed to be sold, conveyed, assigned, exchanged, or transferred from one Person or group of Persons to another Person or group of Persons so that control of a Certificate-holder or its Taxicab Business, or permission granted by of a Certificate, is proposed to be transferred. The term "control" means working control, in whatever manner exercised. By way of illustration, and not limitation, the addition, deletion, or other change of (i) any general partner of a Certificate-holder; or (ii), any Person who owns or controls a Certificate-holder; is a change of control.

Transportation Commission means the advisory group by that name created by the County Board.

Vehicle Owner means any Person having title to any Taxicab.

Wheelchair-accessible Taxicab means a Taxicab that has been constructed, modified, or specially equipped with the installation of lifts or other equipment necessary for the transport of persons who use wheelchairs or wheelchair conveyances.

### **§25.1-3. Certificate of public convenience and necessity.**

#### **(a) Certificate required**

Unless otherwise specifically provided in this Chapter, it shall be unlawful for any Person to engage in the Taxicab Business within Arlington County without having first obtained a Certificate or any other authorization required by this Chapter.

#### **(b) Application for Certificate**

(1) Each application for a Certificate shall be made, under oath, by each prospective Certificate-holder by filing an application with the County Manager, or his designee, upon forms provided by the County for such purpose. Applications for Certificates shall be filed only between July 1 and September 1 of each even-numbered year. Any amendment, modification, or revision to an existing Certificate requires the

filing of an application for a Certificate which shall be filed only during such time period in even-numbered years.

(2) Each Applicant for a Certificate, which Applicant is not, as of the day of the application, a current Certificate-holder, shall provide, with the application, the following information and supporting documents:

- i. The full name and the home and business address(es) of the Applicant. If the Applicant is not an individual, certified copies of documents indicating that the Applicant is a legally existing entity, in good standing, and further indicating the Person or Persons authorized to legally bind the Applicant.
- ii. The trade name (if any) and the telephone number under which the Applicant does, or proposes to do, business, and documents indicating that the Applicant is legally authorized to use such trade (or fictitious) name.
- iii. The financial status and the fiscal and operational fitness of the Applicant, including evidence that the Applicant has the ability to engage in the Taxicab Business, to acquire and to maintain the Taxicabs proposed to be operated pursuant to a Certificate.
- iv. The number and ownership of the Taxicabs proposed to be operated pursuant to a Certificate, and the make, model, year, seating capacity, and combined (city/highway) fuel-efficiency rating of each vehicle. The number and type (Wheelchair-accessible and hybrid or vehicles not primarily powered by gasoline or diesel fuel) of Taxicabs, if any, currently authorized to operate under a Certificate.
- v. A proposed color scheme, insignia, and cruising light design which shall be unique and readily distinguishable from previously approved color schemes, insignia and light design.
- vi. The address, condition, and all proposed uses of each Taxicab depot, terminal and garage to be involved in the Taxicab Business for which a Certificate is required.
- vii. A description of the proposed communications systems to be used between or among the dispatcher, the depots, terminals, garages and Taxicabs.
- viii. A description of the hours of operation proposed to be provided, including times of day and night, and limitations on days and types of Taxicab Service.
- ix. True copies of court records clearly indicating each conviction of or plea of guilty or *nolo contendere* by the Applicant for each violation of any criminal or traffic law, whether such violation or violations be of an ordinance, state law or federal law. If the Applicant is not an individual, then true copies of records of such convictions, pleas, and violations shall be submitted for each officer, director, partner, and member of such Applicant who is legally authorized to bind the Applicant.
- x. The specific experience of the Applicant in the transportation of passengers for hire and the Taxicab Business.
- xi. All facts or circumstances upon which the Applicant bases his or her belief that public convenience and necessity would be enhanced by the granting of the application.
- xii. A description of the type of Taxicab Service the Applicant intends to supply, including whether such Taxicab Service will be similar to, or different from, Taxicab Service provided by Certificate-holders.
- xiii. The Applicant's five (5) year business plan for providing Taxicab Service in Arlington County.
- xiv. All other information and documents requested or required by the County Manager, or his designee.

(3) Each Applicant for a Certificate, which Applicant is, as of the day of the Application, a current Certificate-holder, shall provide, with the application, the information and documents specified above in subsections (2)i, (2)ii, (2)iii, (2)iv, (2)vi, (2)vii, (2)viii, (2)ix, (2)xi, (2)xii and (2)xiv for the Taxicabs operating under an existing Certificate and for the Taxicabs for which authority is being requested. In addition, such Applicant shall provide documents indicating the effect which additional vehicles will have on customers and generally accepted industry measures of Taxicab Service productivity in Arlington County.

(c) Upon receipt of an application for a Certificate, the County Manager, or his designee, shall notify each Certificate-holder in writing that an application has been filed. Certificate-holders will be provided an opportunity, at the appropriate time, to express to the Transportation Commission the Certificate-holder's views about such application.

(d) The County Manager, or his designee, will forward copies of the applications to the Transportation Commission no later than September 15 of each even-numbered year.

(e) In order to carry out the purposes of this Chapter, the County Manager, or his designee, may request from the Applicant relevant information and documents in addition to that provided with the application.

(f) False information on any application for a Certificate.

It shall be unlawful for any Person knowingly to make or cause to be made, either directly or indirectly, any materially false statement on any application for a Certificate, accompanying documents or reports submitted pursuant to this Chapter. Any such application containing a materially false statement may be rejected by the County Manager, or his designee. Upon rejection of the application for a Certificate, the Applicant shall not be permitted to resubmit an application for a period of two (2) years after the date of the application containing the false statement(s).

**§25.1-4. Determination of number of Taxicabs, Issuance of Certificates.**

(a) The number of Taxicabs for which Certificates are proposed to be authorized shall be determined by the County Manager, on a biennial basis, not later than July 1 of each even-numbered year, after considering for the immediately preceding two (2) years:

(1) the percentage change in residents, Taxicab and paratransit trips, and indicators of business activity, tourism, and public transportation use (jointly “Market Change”) within Arlington County; (2) Taxicab industry and Certificate-holder performance indicators;

(3) Competition, including consideration of the number of Taxicabs authorized to be operated by any Certificate-holder in relation to the total number of Taxicabs authorized to be operated under all Certificates, and of the goal of preventing the disadvantageous effects on competition, the quality of Taxicab service, and the public health, safety, and welfare resulting from a concentration of the total authorized Certificates in any one Certificate-holder; and

(4) Other factors having, in the reasonable opinion of the County Manager, specific relevance to the provision of Taxicab Service to the public.

(b) Upon making such determination, the County Manager shall issue a statement indicating the number of additional Taxicabs proposed to be authorized, the rationale for such number, and the general methodology expected to be used in arriving at a recommendation which the County Manager may make pursuant to subsection (d) below.

(c) If an Applicant applies for a Certificate, the issuance of which would authorize an increase in the number of Taxicabs for such Applicant or Certificate-holder, and which increase would exceed the number of Taxicabs determined by the County Manager pursuant to subsection (a) above, then the application shall include relevant facts indicating the reasons that the Applicant contends that the Market Change, industry performance, Certificate-holder performance, competition, and other specified factors are other than those determined by the County Manager.

(d) The County Manager shall recommend to the Board, not later than October 15 of each even-numbered year, the number of additional Taxicabs (to be authorized by Certificates) allocated to each Applicant, including the number of Wheelchair-accessible Taxicabs and hybrid or vehicles not primarily powered by gasoline or diesel fuel.

(e) In making such recommendation, the County Manager shall consider the following factors, in no particular order, and such other relevant information as the County Manager deems appropriate, including the effect of the granting of the application(s) on Taxicab Service in Arlington County:

- (1) whether the Applicant will offer hail and Taxi Stand service;
- (2) whether the Applicant will offer telephone-reservation and dispatch service;
- (3) how many of the additional Taxicabs will be Wheelchair-accessible vehicles;
- (4) to what extent customers may pay using credit or debit cards;
- (5) fuel efficiency of proposed additional Taxicabs including whether the additional Taxicabs will be hybrid or vehicles not primarily powered by gasoline or diesel fuel;
- (6) the Applicant's recent vehicle productivity, if any, as evidenced by paid Taxicab trips per authorized Taxicab per day;
- (7) the Applicant's recent vehicle efficiency, if any, as evidenced by percent of total miles travelled for which Passengers travel;
- (8) the days and hours for which service will be available;
- (9) the Applicant's recent customer-service record, if any, as evidenced by the scarcity of complaints per authorized Taxicab;
- (10) the Applicant's intended fleet sustainability, as evidenced by the current (if any) and proposed fleet fuel-efficiency ratings;
- (11) competition within the industry including the number of Taxicabs that the Applicant(s) would be authorized, should the number applied for be granted, relative to the total number of Taxicabs authorized under all Certificates, and the effect thereof on the public convenience and welfare; and
- (12) proposed innovation to Taxicab service in Arlington County.

The County Manager, or his designee, may transmit to the Applicants and to all Certificate-holders written notice of the County Manager's recommendations.

(f) Decrease in number of Taxicabs authorized under a Certificate:

- (1) At the time the County Manager issues recommendations to the County Board pursuant to subsection (d) above, the County Manager shall indicate the number of Taxicabs, authorized by a Certificate, that were not operated during any of the immediately preceding one hundred and eighty (180) calendar days. Thereafter, the County Manager shall give written notice to the Certificate-holder and afford the Certificate-holder an opportunity to be heard by the County Manager. If the County Manager determines that a decrease in the number of Taxicabs authorized by Certificates is warranted because Taxicabs were not operated during the above time period, then, upon receipt of notice of said determination, the Certificate-holder shall surrender the existing Certificate to the County Manager and the County Manager will issue a new Certificate authorizing the specified lesser number of Taxicabs to the Certificate-holder.
- (2) Subsection (1) above shall not apply, for a period of one (1) year, to new or additional Taxicabs authorized under a Certificate.

(g) The County Manager, or his designee, prior to the public hearing on the application(s) before the Board, will furnish to the Transportation Commission all appropriate documents concerning the application(s) under consideration, and will request a recommendation thereon from the Transportation Commission. Not later than November 15 of each even-numbered year, the Transportation Commission shall make its written recommendation to the Board. The recommendation shall state whether or not the Transportation Commission recommends that the Board grant any or all the application(s), in whole or in part. If the Transportation Commission does not forward a recommendation to the Board by November 15, then the Board may act without any such recommendation.

(h) After receipt by the Board of recommendations from the County Manager, and not sooner than November 15 of each even-numbered year, the Board, after a public hearing, after considering the factors contained in subsection (e) above, and after determining whether the public health, safety and welfare will be protected or enhanced, may authorize the County Manager to issue Certificate(s) to any or all of the Applicants as the Board deems appropriate, concerning the application(s). The Board may determine that no Certificate(s) shall be issued, in which case all existing Certificate(s) shall remain in effect.

(i) If the Board authorizes the County Manager to issue any new Certificate(s) to any Applicant(s), then, upon the surrender to the County Manager of any existing Certificate(s), the County Manager, or his designee, shall issue a new Certificate(s) to the Certificate-holder(s). The issuance of a Certificate constitutes permission for the Certificate-holder to engage in the Taxicab Business in accordance with this Chapter and all applicable laws, ordinances and regulations.

**§25.1-5. Annual Certificate fees and application fees.**

(a) The following fees shall be paid, as applicable, to the Treasurer of Arlington County. All fees are non-refundable.

(b) For each Taxicab authorized under an existing Certificate, the annual fee is one hundred and fifty dollars (\$150.00), which shall be paid not later than February 1 of each year.

(c) Application fees, which shall be paid upon submission of an application, are as follows:

(1) For each application for a Certificate by a Person who is not a Certificate-holder, the fee is five hundred dollars (\$500.00), plus an additional one hundred dollars (\$100.00) for each Taxicab requested, in excess of five (5) Taxicabs.

(2) For each application for a Certificate by a Person who is a Certificate-holder, the fee is one hundred dollars (\$100) for each Taxicab requested in excess of number of Taxicabs authorized under the existing Certificate.

**§25.1-6. Certificate form and term.**

(a) Each Certificate will state the following:

(1) The name and address of the Certificate-holder.

(2) The number of Taxicabs authorized by the Certificate. The Certificate may indicate the specific number of Wheelchair-accessible Taxicabs authorized and hybrids or non-gasoline-fueled vehicles.

(3) The date of issuance of the Certificate.

(4) The fact that the Certificate is subject to the provisions of this Chapter and all other laws and ordinances governing the operation of public vehicles, Taxicabs, for-hire vehicles in Arlington County, and the Taxicab Business.

(b) Every Certificate shall be valid from the date of issuance until surrendered, suspended, or revoked as specified under sections 25.1-4(f) and 25.1-8.

(c) In cases of death, sickness or unusual circumstances, the County Manager may authorize in writing to the Certificate-holder the continued operation of an existing Certificate for a reasonable time specified in such authorization.

**§25.1-7. Insurance requirements.**

(a) Every Vehicle Owner, operating a Taxicab under a Certificate issued pursuant to this Chapter, from any point within Arlington County, which for the purpose of this section includes Arlington National Cemetery, Ronald Reagan Washington National Airport and the Pentagon reservation, or any other federal or state enclave, reservation or area within the boundaries of Arlington County, to any other point within Arlington County, including Arlington National Cemetery, Ronald Reagan Washington National Airport and the Pentagon reservation, or any other federal or state enclave, reservation or area within the boundaries of Arlington County, shall keep in effect at all times, and file with the County Manager, or his

designee, a certificate of insurance evidence of a policy of insurance with a reputable insurance company duly licensed or otherwise authorized to do business in the Commonwealth of Virginia, in the amount specified in this section covering damages for any liability incurred on account of any injury to persons or damage to property resulting from the operation of such Taxicab in the amounts prescribed in this section, or provide a combination of self-insurance and policy of insurance in the total amount herein specified covering such damages. Such combination to be subject to the approval of the County Manager, or his designee; provided, however, this section shall not apply to Taxicabs operating in Arlington County which Taxicabs operate solely on federal or state enclaves.

(b) The required insurance coverage shall be as follows:

(1) If a purchased insurance policy is furnished, the minimum amount of coverage will be:

For injury to one (1) person in any one (1) accident: one hundred thousand dollars (\$100,000.00)

For injury to two (2) or more persons in any one (1) accident: three hundred thousand dollars (\$300,000.00)

For property damage in any one (1) accident: fifty thousand dollars (\$50,000.00)

(2) If a combination of self-insurance and a policy of insurance is approved, such combination will provide the coverage specified in subsection (b)(1) above.

(c) Each insurance policy offered as fulfillment of the requirements of this section shall contain a clause to the effect that the insurance carrier may not cancel the policy except upon thirty (30) day's written notice to the County Manager, or his designee, as well as other notices as may be required by law to be given to the policy holder.

(d) If an insurance policy or a state issued self-insurance certificate or permit offered as fulfillment of the requirement of this section is cancelled, then the Certificate-holder shall not permit any Taxicab to be operated that was covered by such policy, certificate or permit until other insurance is furnished as required by this section.

(e) If judgment is rendered against the Vehicle Owner or Driver, or both, in any court of competent jurisdiction by reason of any accident for which self-insurance or an insurance policy is provided in this section, then the Vehicle Owner shall, within twenty-four (24) hours after the rendition of such judgment, whether appealed from or not, maintain the total amount of insurance required by this section or any other provision of law, whichever is greater, so that no reduction in insurance coverage results from such judgment.

(f) Self-insurance.

Up to one hundred thousand dollars (\$100,000.00) of the insurance required under section (b) above may be provided by self-insurance. A Vehicle Owner may self-insure only up to one hundred thousand dollars (\$100,000.00) and only if such owner has obtained a certificate of self-insurance pursuant to Section 46.2-368 of the Code of Virginia, and has fulfilled the requirements and obtained a certificate or permit as required by law, provided that the certificates or permits for self-insurance shall be in full force and effect at all times. Evidence of such certificates or permits shall be filed with the County Manager, or his designee, before the issuance of any Certificate and shall require notice by the Commonwealth of Virginia to the County Manager, or his designee, before termination of the self-insurance certificates or permits. The remaining insurance shall be provided as required by section (b) above, and the following requirements must be met:

(1) Application for approval, partially to meet County insurance requirements through self-insurance up to one hundred thousand dollars (\$100,000.00) shall be made by the Certificate-holder or his duly authorized agent upon forms provided by the County Manager, or his designee, and upon such forms the Applicant shall supply the following information:

i. Proof that all requirements for self-insurance established by the Virginia Department of Motor Vehicles

and the Virginia State Corporation Transportation Commission have been met, including copies of the state certificate documents and all documents filed with the State in order to obtain certification as a self-insurer.

ii. A written statement from the Virginia Department of Motor Vehicles and the Virginia State Corporation Transportation Commission that they will notify the County Manager, or his designee, prior to the termination of the state-issued self-insurance certificates or permits.

iii. Claims history for the Applicant for the preceding four (4) year period.

iv. The most current financial statement of the Applicant.

(2) The Certificate-holder has a continuing obligation to file with the County Manager, or his designee, copies of all documents, statement, filed with the Virginia Department of Motor Vehicles and the Virginia State Corporation Commission in order to obtain or maintain state self-insurance certification.

(3) The Certificate-holder must submit a report to the County Manager, or his designee, two (2) years to the day after receiving approval from the County Manager, or his designee, to self-insure, and every other year thereafter, concerning the Certificate-holder's claims history and claims procedures. The report will be ordered and undertaken at the Certificate-holder's expense.

(4) If at any time it should appear that the Certificate-holder no longer meets the criteria required for approval as a self-insurer as set forth herein or fails to file any required documents, then the Certificate-holder will be given written notice identifying the particular criteria or filing default. The written notice will stipulate a reasonable date and time by which the Certificate-holder must furnish evidence, satisfactory to the County Manager, or his designee, that the approval criteria are again met or the default cured. Failure to respond in a timely manner to the notice, failure to meet approval criteria or failure to cure a default will result in revocation of the right to self-insure.

(g) Taxicabs licensed by other jurisdictions and providing Taxicab Service in Arlington County pursuant to section 25.1-26, shall maintain the insurance coverage required by the licensing jurisdiction.

(h) Section 25.1-7 is not intended to release a Vehicle Owner from its independent obligation to comply with insurance requirements of the Commonwealth of Virginia.

#### **§25.1-8. Suspension or revocation of Certificates.**

(a) Certificates may be suspended for a period of one (1) to thirty (30) calendar days, or revoked, by the County Manager for any of the following reasons:

(1) Failure to operate Taxicabs, provide Taxicab Service, or engage in Taxicab Business in strict accordance with this Chapter,

(2) Failure to maintain Taxicabs in good order and repair,

(3) Failure to maintain insurance as required by this Chapter,

(4) Repeated and persistent violations by the Certificate-holder or Drivers, of the Code of Arlington County, Virginia, or the motor vehicle laws of the Commonwealth of Virginia,

(5) Failure to report any accident as required by this Chapter,

(6) Failure of the Certificate-holder to pay any fees required by this Chapter, or

(7) Failure to submit information or documents required by any provision of this Chapter.

(b) Process and effect.

(1) After considering the reasons in subsection (a) above, and related facts and documents, the County Manager shall notify the Certificate-holder, by certified mail or hand delivery, that the County Manager is considering a suspension or revocation of a Certificate. The notice shall state the reasons for which the County Manager is considering such action. The Certificate-holder shall have fourteen (14) calendar days after receipt of such written notice to remedy all failures and violation(s) giving rise to the proposed suspension or revocation. Upon the expiration of such fourteen (14) day period, if all such failure(s) and violation(s) are not fully remedied, then the County Manager shall notify the Certificate-holder, by

certified mail or hand delivery, of the date, time and place for a hearing before the County Manager. During such hearing the Certificate-holder shall be given an opportunity to be heard, including the opportunity to present relevant evidence against any suspension or revocation. If, after the hearing and consideration of the facts, the County Manager determines that a suspension or revocation is warranted, then the Certificate-holder shall be so notified in writing and the Certificate shall be suspended or revoked as provided in such notice. Such action shall be effective upon receipt by the Certificate-holder of such written notice, by certified mail or hand delivery.

(2) Notwithstanding any provision of this Chapter to the contrary, if the County Manager determines that the reasons for any proposed or impending suspension or revocation of a Certificate constitute an immediate hazard to the public health, safety or welfare, then the County Manager may suspend or revoke a Certificate immediately upon delivery of a written notice thereof, by certified mail or hand delivery, to the Certificate-holder, without the necessity of the fourteen (14) day notice set forth in subsection (b)(1) above. Thereafter, the Certificate-holder shall be given notice, by certified mail or hand delivery, and an opportunity to be heard by the County Manager. If, after such hearing, the County Manager determines that the Certificate should not have been immediately suspended or revoked, then the County Manager may either suspend or revoke the Certificate in accordance with the procedure specified in subsection (b)(1) above, or reissue the Certificate without the necessity of a reapplication by the Certificate-holder as otherwise required under subsection (c) below.

(c) Application after revocation of Certificate. If the County Manager revokes a Certificate, then the prior holder of the revoked Certificate shall not engage in the Taxicab Business in Arlington County, unless and until the prior Certificate-holder reapplies for a Certificate in accordance with the application process of this Chapter and is issued a Certificate. The prior Certificate-holder shall be entitled to reapply for a Certificate only at the times provided in section 25.1-3 (b) (1) but, in any event, not sooner than three hundred and sixty-five (365) calendar days after the effective date of the revocation.

(d) In the case of a Certificate suspension, the Certificate-holder shall not be required to reapply for a Certificate at the end of the suspension periods. Permissions to engage in the Taxicab Business shall recommence as provided in the notice of suspension.

#### **§25.1-9. Public Vehicle Driver's Licenses.**

(a) License required, limitations on the transporting of Passengers.

(1) It shall be unlawful for any person to drive a Taxicab for hire from an origin within Arlington County to a destination within or outside of Arlington County except as provided in section 25.1-26 of this Chapter, unless the Driver has first obtained, and has in his possession, a valid Public Vehicle Driver's License.

(2) Upon the request of the Taxicab Inspector, his designee, or any law-enforcement officer, a Driver shall produce to the Taxicab Inspector, his designee, or law-enforcement officer, the Public Vehicle Driver's License, a current motor vehicle operator's license and any other requested identification.

(3) The Public Vehicle Driver's License is valid only during such time as the Driver is operating a Taxicab authorized by a Certificate. The Public Vehicle Driver's License is not valid during such time as the Driver is operating a Taxicab authorized, licensed, or having a certificate issued from any other jurisdiction.

(4) Each Public Vehicle Driver's License is the property of the County. Each Driver to which a license has been issued shall immediately surrender such License to the County Manager, or his designee, when such License is suspended or revoked.

(5) This Chapter does not prohibit a Driver from transporting passengers into Arlington County if the trip originated in a jurisdiction where the Driver and Taxicab are authorized to operate.

(6) Except to the extent expressly permitted by federal or state law, unless a person has a valid Public Vehicle Driver's License issued pursuant to this Chapter, such person shall not solicit business or pick up

and transport a Passenger in Arlington County, provided that a Passenger may hire a Taxicab to transport such Passenger into Arlington County, wait for that Passenger, and then transport such Passenger to another location.

(b) Application for a Public Vehicle Driver's License.

(1) Application for a Public Vehicle Driver's License shall be made in person, under oath, to the County Manager, or his designee.

(2) The Applicant shall provide the following information and supporting documents with the application:

i. Required personal data.

ii. Physical condition of Applicant.

iii. Traffic record (excluding parking citations) for ten (10) years immediately prior to the date of the application.

iv. Criminal record including, but not limited to, an FBI Record Check.

v. Prior driving experience.

vi. Four (4) copies of a recent photograph of the Applicant, of size and manner prescribed by the County Manager, or his designee.

(c) The Applicant shall permit the County to make a record of his or her fingerprints.

(d) The Applicant shall successfully complete a written examination concerning the laws, rules and regulations governing the operation of Taxicabs, the County street system, and the location of prominent buildings and landmarks in Arlington County.

(e) Investigation of Applicant. The County Manager, or his designee, will cause to have an investigation made of the facts stated in an application for a Public Vehicle Driver's License and of other relevant matters. Unless otherwise prohibited by law, documents containing such investigation will be available to the Applicant, for inspection, upon written request.

(f) Issuance of Public Vehicle Driver's License.

(1) If the County Manager, or his designee, determines that the Applicant satisfies the requirements of this Chapter, then the County Manager will issue a Public Vehicle Driver's License to the Applicant.

(2) The County Manager, or his designee, may refuse to issue a Public Vehicle Driver's License to an Applicant for, among other things, any of the following reasons:

i. Repeated and persistent violations of motor vehicle laws of any jurisdiction.

ii. Conviction, plea of guilty, or plea of *nolo contendere* to the violation of any law involving: the commission of a felony; any sex offense; solicitation of prostitution; alcohol; marijuana; any drugs classified as controlled substances under federal or state laws; gambling; larceny; theft; assault; battery; burglary; disorderly conduct; drunk in public or related charge; impaired driving; driving while intoxicated or under the influence; reckless driving; or a crime involving moral turpitude.

iii. Applicant is on parole or probation for a criminal or traffic offense.

iv. Applicant is younger than twenty-one (21) years of age.

(g) A Public Vehicle Driver's License shall not be issued to any person who has less than six (6) months' experience as a licensed driver of a motor vehicle anywhere in the United States or any of its possessions.

(h) Form of license, term, non-transferable, surrender, renewal.

(1) The form of the Public Vehicle Driver's License shall be prescribed by the County Manager, or his designee. The Public Vehicle Driver's License shall bear a recent photograph of the Public Vehicle Driver's License holder.

(2) The Public Vehicle Driver's License shall be valid for one (1) year from the date of issuance. A Public Vehicle Driver's License may be renewed for a two (2) year period, provided that the investigation

by the County Manager, or his designee, of the Driver's traffic and criminal record reveals no criminal or traffic violations during the period of the expiring Public Vehicle Driver's License, and further provided that the Applicant meets all other relevant requirements of this Chapter. If the investigation reveals such violations, and if the Public Vehicle Driver's License is permitted to be renewed, it may be renewed for a one (1) year period. Temporary Public Vehicle Driver's Licenses may be issued by the Taxicab Inspector, or his designee, and shall not be valid for more than sixty (60) calendar days.

(3) The Public Vehicle Driver's License is the property of the County and is not transferable.

(4) Such License immediately shall be surrendered by the Driver to the County Manager, or his designee, upon such Driver's ceasing to drive a Taxicab in Arlington County and upon other instances required by this Chapter.

(5) Renewal of Public Vehicle Driver's License. An application for a renewal of a Public Vehicle Driver's License shall conform to the procedures set forth in subsections (a) through (g) above.

(i) Public Vehicle Driver's License fees:

(1) For each original application for a Public Vehicle Driver's License the fee shall be: sixty-five dollars (\$65.00)

(2) For each renewal application for a Public Vehicle Driver's License the fee shall be: forty dollars (\$40.00)

(3) For each retest application for a Public Vehicle Driver's License the fee shall be: thirty dollars (\$30.00)

(4) For each replacement Public Vehicle Driver's License the fee shall be: twenty dollars (\$20.00)

(j) It shall be unlawful to operate a Taxicab without the Driver's Public Vehicle Driver's License being conspicuously displayed so as to be clearly visible at all times to Passengers.

(k) Suspension, revocation and surrender of a Public Vehicle Driver's License

(1) The County Manager, or his designee, may suspend, for a period of one (1) to sixty (60) calendar days, or revoke, the Public Vehicle Driver's License of any Driver licensed under this Chapter for any of the following reasons:

i. Repeated violations of motor vehicle laws of any jurisdiction;

ii. Conviction of the crime of reckless driving;

iii. Failure to report, to the Taxicab Inspector, any accident, however slight, involving a Taxicab and the License holder;

iv. Driving of any Taxicab not in good order or repair;

v. A violation of this Chapter, regulations adopted hereunder, or any other applicable federal, state or County laws or ordinances;

vi. A consistent pattern of reasonably verified complaints against the License holder or Driver within any twelve (12) month period, or a reasonably verified complaint involving a threat to health, safety or welfare related to the provision of Taxicab Service;

vii. Conviction, plea of guilty, or plea of *nolo contendere* to the violation of any law involving: the commission of a felony; any sex offense; solicitation of prostitution; alcohol; marijuana; any drugs classified as controlled substances under federal or state laws; gambling; larceny; theft; assault; battery; burglary; disorderly conduct; drunk in public or related charge; impaired driving; driving while intoxicated or under the influence; or a crime involving moral turpitude;

viii. Creating or maintaining an incomplete, inaccurate, or false manifest; or

ix. Failure to comply with the requirements of any applicable Taxicab reciprocity agreement approved by the Board.

(2) Notice of such revocation or suspension shall be given by the County Manager, or his designee, in person, or in writing to the Public Vehicle Driver's License holder and shall be effective on the date indicated on such written notice or the date of the in-person delivery.

(3) If any Public Vehicle Driver's License has been expired for a period of six (6) months or less, then the Driver may thereafter obtain authorization to operate a Taxicab in Arlington County by completing a renewal application. If any Public Vehicle Driver's License has been expired for a period of greater than six (6) months, then the Driver may thereafter obtain authorization to operate a taxicab in Arlington County by completing the application process in subsection (b) above.

(l) The Public Vehicle Driver's License of any Driver shall automatically become void and shall be immediately surrendered by the Driver to the County Manager, or his designee, whenever the Driver's applicable permit or license to drive issued by the Commonwealth of Virginia or any other licensing jurisdiction has been revoked, suspended, or interrupted for any reason. Thereafter, a Public Vehicle Driver's License may only be obtained by such person upon making application therefor and satisfying the applicable requirements of this Chapter.

(m) Revocation of a Public Vehicle Driver's License.

The Public Vehicle Driver's License of any Driver shall automatically be revoked, without the necessity of any action by the County, and such License immediately shall be surrendered to the Taxicab Inspector, or his designee, by the Driver upon such Driver's conviction of, or a plea of, guilty or *nolo contendere*, to the violation of any law involving any:

1. Commission of a felony;
2. Sex offense;
3. Prostitution or solicitation thereof;
4. Narcotics; or
5. Revocation of driving permits issued by the Commonwealth of Virginia.

(n) When an application for a Public Vehicle Driver's License has been denied or a License revoked, the Applicant or licensee may not reapply for a new License for a period of two (2) years after the date of application denial or license revocation.

#### **§25.1-10. Appeal from suspension, revocation, or denial of a Certificate or Public Vehicle Driver's License.**

(a) Appeal procedure for Certificate-holders or Applicants

(1) The appeal of a decision of the County Manager, or his designee, concerning the suspension, revocation, or denial of a Certificate shall be by notice of appeal, made in writing, signed by the Certificate-holder, stating an address at which the Certificate-holder will receive subsequent notifications. The notice of appeal shall be filed with and received by the Clerk of the County Board no later than fourteen (14) calendar days after the date a notice of the decision of the County Manager, or his designee, has been hand delivered or mailed by certified mail. The notice of appeal shall clearly and specifically state: the decision appealed from, all reasons why the decision is claimed to not be in accordance with this Chapter, and the requested relief. Any such notice which is not timely filed or fails to provide such required information shall be denied.

(2) The Clerk of the County Board will notify the County Manager, or his designee, of the filing of a notice of appeal.

(3) After the receipt by the Clerk of the notice of appeal, the Certificate-holder will be entitled to a hearing by the Board which shall be held no sooner than ten (10) calendar days after the filing of the notice of appeal.

(4) The Certificate-holder will have the right to present his or her case in person or by counsel licensed to practice law in the Commonwealth of Virginia.

(5) The Board will consider information and documents offered by the Certificate-holder and County staff. The hearing need not be conducted according to technical rules relating to evidence and witnesses,

provided, however, that the Board only need consider relevant information and documents. The Board may affirm, reverse, or modify the decision of the County Manager, or his designee.

(6) If the Board reverses the County Manager's decision, so as to restore a Certificate, then the Board will direct the County Manager, or his designee, to restore the Certificate in accordance with the order of the Board.

(7) During the pendency of an appeal, the decision of the County Manager, or his designee, shall remain in full force and effect.

**(b) Appeal procedure for Public Vehicle Driver's License holders or Applicants**

(1) The appeal of a decision of the County Manager, or his designee, concerning the suspension, revocation or denial of a Public Vehicle Driver's License or application shall be by notice of appeal, made in writing, signed by the License holder or Applicant, stating an address at which the License holder or Applicant will receive notices. The notice shall be filed with the Clerk of the County Board not later than fourteen (14) calendar days after the date a notice of such decision has been hand delivered or mailed by certified mail. The notice of appeal shall clearly and specifically state: the decision appealed from, all reasons why the decision is claimed to not be in accordance with this Chapter, and the requested relief. Any such notice which is not timely filed or fails to provide such required information shall be denied.

(2) The Clerk of the County Board will notify the County Manager, or his designee, of the filing of a notice of appeal.

(3) After the filing a notice of appeal, the License holder or Applicant will be entitled to a hearing before a hearing examiner, who will be a lawyer admitted to practice in the Commonwealth of Virginia, and employed by the County for the purpose of conducting such hearings. The time and place of the hearing will be scheduled by the Clerk of the County Board. The Clerk shall give notice of the hearing to the hearing examiner and shall give notice, by certified mail, of the date, time and location of the hearing to the license holder or Applicant.

(4) The License holder or Applicant will have the right to present his case in person or by counsel licensed to practice law in the Commonwealth of Virginia.

(5) The hearing examiner will consider documentary evidence as well as statements offered by the License holder or Applicant, and County staff. The hearing need not be conducted according to technical rules relating to evidence and witnesses, provided, however, that the hearing examiner only need consider relevant documents and statements. The hearing examiner may confirm, modify, or reverse the County Manager's decision from which the License holder or Applicant is appealing.

(6) If, in a case of suspension, revocation or denial of a License by the County Manager, the hearing examiner's decision is to reverse such suspension, revocation or denial, then the hearing examiner will advise the County Manager, or his designee, to issue or restore the Public Vehicle Driver's License in accordance with the order of the hearing examiner.

(7) If the hearing examiner's has the effect of neither issuing, reinstating, nor restoring a Public Vehicle Driver's License, then the appealing License holder or Applicant shall not file a new application within two (2) years after the date of the final decision by of the hearing examiner on the appeal.

(8) During the pendency of an appeal, the decision of the County Manager, or his designee, shall remain in full force and effect.

**§25.1-11. Records and reports.**

(a) Information which shall be kept on file by Certificate-holders with the County. Thirty (30) days after the effective date of the enactment of this Chapter, every Certificate-holder shall file with the County Manager, or his designee, the Certificate-holder's name, all business street addresses, depot, terminal and garage addresses, all business telephone numbers listed in the Certificate-holder's name, the names of all Drivers, such Driver's Public Vehicle Driver's License numbers and street addresses, the names and addresses of all Vehicle Owners, and the make and meter number of the Taximeter in each Taxicab Vehicle. Not later than forty-eight (48) hours after a request for information concerning any change in

any of the above-required information, the Certificate-holder shall provide to the County Manager, or his designee, in writing, such changed information.

(b) Driver's daily manifest.

(1) Each Driver shall maintain a daily manifest upon which shall be recorded accurately and legibly by the Driver, at the end of each trip, the following: the time the Taxicab began and ceased operation on the street; the Taxicab number and Driver's name; all trips made each day, showing time and address of origin and address of destination of each trip; the number of Passengers of each trip; and the corresponding amount of fare. In addition, the Driver shall record on the manifest: the meter register readings at the beginning and end of each tour of duty for total miles during such tour; paid miles; trips; units; extra Passengers; the speedometer readings; and all additional information required by any reciprocity agreement.

(2) Drivers of Wheelchair-accessible Vehicles shall designate on the manifest the trips made by persons in wheelchairs.

(3) All completed manifests shall be delivered by the Driver to the Certificate-holder at the conclusion of the Driver's tour of duty. If the Driver changes Taxicabs during a tour of duty, then such Driver shall maintain a separate manifest for that portion of the tour of duty in which another vehicle is used.

(4) The forms for such records will be furnished to the Driver by the Certificate-holder and shall be subject to the approval of the County Manager, or his designee.

(c) It shall be unlawful for any Driver to create or maintain an incomplete, inaccurate or false manifest.

(d) Every Certificate-holder shall retain and preserve all Drivers' manifests in a safe place for one (1) year after the end of the tour of duty.

(e) Driver's manifests shall be made available immediately upon demand for inspection by the Taxicab Inspector, or his designee, or any law-enforcement officer.

(f) Accident reports. Every accident in which any Taxicab is involved shall be reported in writing by the Certificate-holder, Vehicle Owner, or by the Driver to the Taxicab Inspector, or his designee, within five (5) calendar days of such accident, even if no report is required by other authorities to be filed.

(g) Financial information. The County Manager, or his designee, periodically may require every Certificate-holder and/or Vehicle Owner to provide written information, with supporting documentation, accurately indicating the revenues, expenses, and property owned by such Person or entity, and all other financial and statistical information required by the County Manager, or his designee regarding the Taxicab Business. Such information shall be provided in a format required by the County Manager or his designee. Upon such a request by the County Manager, or his designee, each Certificate-holder and/or Vehicle Owner shall supply the complete and accurate information and supporting documents within thirty (30) calendar days after the date of the request.

(h) Financial agreements. The County Manager, or his designee, may at any time require that all Certificate-holders deliver to the County Manager, or his designee, true copies of all current agreements between the Certificate-holder and Owners, and agreements among Certificate-holder or Vehicle Owners and third parties, which agreements address the payment for any or all of the following: use of Taxicab, rental payment for use of colors, rental payment for use of radio equipment, payment for dispatching service, obligation of Drivers to perform unpaid services for Certificate-holders or Owners, and arrangements between Certificate-holders and Drivers concerning credit card fees, and any other agreements which the County Manager, or his designee, determines necessary to implement the provisions of this Chapter. The County Manager, or his designee, may require that Certificate-holders and/or Vehicle Owners at designed times deliver updated true copies of such agreements. All such

agreements shall be delivered to the County Manager, or his designee, within the time period specified in the request. The term "agreements" as used in this subsection shall include accurate written summaries of verbal agreements, if any.

(i) Other information and documents concerning a Certificate-holder's Taxicab Business. The County Manager, or his designee, periodically may require a Certificate-holder to provide to the County with documents and information regarding Certificate-holder's Taxicab Business, which documents shall be accurate and complete.

(j) It shall be unlawful for any Certificate-holder to create or maintain false records and documents.

**§25.1-12. Rate schedule, tolls, payment.**

The rate schedule for fares and service charges is as follows:

(a) For the first one-fifth (1/5) mile (initial drop charge): two dollars and seventy-five cents (\$2.75)

(b) For each succeeding one-fifth (1/5) mile or fraction thereof (mileage charge): forty cents (\$0.40)

(c) For each sixty-four (64) seconds of wait time: forty cents (\$0.40)

Waiting time begins five (5) minutes after the appointed pickup time, once the Taxicab arrives at the pickup location specified by the potential Passenger. The Driver shall not charge a Passenger for early response to any call for Taxicab Service. Waiting time will also be charged while the Taxicab is stopped, or slowed for traffic to a speed of less than ten (10) miles per hour. While such stopping or slow traffic time is charged, there shall be no charge for mileage. Waiting time includes time consumed because of stopovers en route at the direction of a Passenger, but waiting time shall not include time lost due to the inefficiency of a Taxicab or Driver.

(d) For each additional Passenger over six (6) years of age when more than one (1) Passenger is transported: one dollar (\$1.00)

Should more than one (1) Passenger enter a Taxicab, bound for different destinations, the fare shall be as follows: whenever a Passenger exits the Taxicab and pays the fare, the Driver shall reset the meter upon the Passenger's departure. Whenever a Passenger exits the Taxicab and does not pay the fare, the Driver shall not reset the meter.

(e) For each suitcase (in excess of two (2)), if handled by the Driver: fifty cents (\$0.50)

(f) For each footlocker or similar-size case handled by the Driver: two dollars (\$2.00)

(g) Tolls paid by the Driver between the point of Passenger pickup and the Passenger destination will be added to the Passenger's fare, provided that the Passenger is first informed by the Driver of the existence of a toll, and further provided that the Driver first gives the Passenger the option of the Taxicab taking an alternative route, which route would not require the payment of a toll. The Passenger shall be provided a receipt for such toll if the Passenger so requests.

(h) Provided that the Passenger is first informed by the Driver of the existence of an airport surcharge, where the Driver pays such surcharge, the surcharge will be added to the total fare. The Passenger shall be provided a receipt for such airport surcharge if the Passenger so requests.

(i) Fare receipt. When so requested by a Passenger, the Driver shall give to the Passenger a written receipt signed by the Driver indicating the Public Vehicle Driver's License number, the Taxicab number, the origin and destination of the trip, items for which charge is made, the amount paid, time and date.

(j) Certificate-holders may offer discounts to senior citizens and Persons with Disabilities in an amount not to exceed twenty-five (25) percent.

(k) Payment for Taxicab Service which is prepaid may be made by coupons or vouchers purchased before the time of the Taxicab trip. Alternatively, a pre-payer may open an account with the Taxicab Company, pay for Taxicab Service in advance, and then draw down the prepaid account.

**§25.1-13. Rate display cards.**

(a) The County Manager, or his designee, will issue, to each Certificate-holder, two (2) County-approved rate display cards for each Taxicab authorized to operate under a Certificate. Such display cards shall be issued upon payment to the County of the actual cost of printing and shipping such cards. Such display cards shall indicate the rates of fare as provided by, or authorized in, this Chapter. Such display cards shall further include a telephone number provided by the County Manager, or his designee, for inquiries about taxi regulation. Each display card shall be attached by the Certificate-holder or Driver to the Taxicab's right and left rear windows, in such a fashion as to be clearly visible, at all times, from the inside and outside of the Taxicab. The rate display cards shall neither be transferred nor resold to any Person, and shall not be transferred or resold to any Person other than the Vehicle Owner. If such rate display cards are sold to any Vehicle Owner, then the price to the Vehicle Owner shall be the price paid by the Certificate-holder to the County.

(b) Violations of this section. A willful violation of this section by a Certificate-holder shall be cause for revocation or suspension of the Certificate. A willful violation of this section by a Driver shall be cause for suspension or revocation of the Driver's Public Vehicle Driver's License.

**§25.1-14. Duty of Driver and Certificate-holder to charge authorized fare or charge.**

It shall be unlawful for any Driver or Certificate-holder to charge, cause to be charged, or knowingly allow to be charged, any fare or service charge other than provided by, or authorized in, this Chapter.

**§25.1-15. Duty of Passenger to pay fare or charge.**

It shall be unlawful for any person who receives Taxicab Service in Arlington County, Virginia, to fail or refuse to pay any lawful fare or charge due to a Taxicab Driver.

**§25.1-16. Adjustments in rates of fare.**

(a) Rate adjustment process. The County Board may, from time to time, after public notice, and after a public hearing, prescribe just and reasonable rates of fare, changes in rates, and other charges or surcharges. The rates so prescribed may be maximum rates or rates certain.

(b) Upon petition by any Certificate-holder to the County Manager, received not later than June 30 in odd-numbered years, or the County Manager, on his own accord, may consider recommending to the County Board ordinance amendments regarding changes in rates of fares, charges or surcharges. The County Manager also may make such other recommendations as the Manager deems necessary and appropriate.

(c) Any petition described in subsection (b) above shall be filed by the Certificate-holder simultaneously with the County Manager and the Clerk of the County Board. A copy of such petition will be sent by the County Manager, or his designee, to all Certificate-holders within seven (7) Days of receipt of such petition by the County Manager.

(d) Each petition shall contain the following:

1. The existing rates of fare, charges, and surcharges which are requested to be changed;
2. The proposed new rates of fares, charges, and surcharges; and
3. A sample billing analysis which shall indicate the cost to a typical Passenger, in terms of first drop and mileage charge only, for each of twenty (20) trips, ranging from one (1) mile to twenty (20) miles, in one (1) mile increments, using existing rates and proposed new rates of fare, including for each increment the percent change. Trip lengths analyzed will be precise to the one-hundredth (1/100) of a mile, with the decimal portion (i.e., 0.00 through 0.99) selected at random.

(e) Rate change petitions will be analyzed by the County Manager, or his designee, using information submitted by the Certificate-holder under subsection (d) above and other information which the County Manager deems relevant and appropriate to the determination of changes in rates of fares, charges, and surcharges, including but not limited to, fluctuation in the Consumer Price Index (CPI) and related transportation cost indices. Based upon such analysis, the County Manager will make a recommendation to the County Board.

(f) The Transportation Commission may review such petitions and the County Manager's recommendation(s) for the purpose of making a recommendation to the County Board. The Transportation Commission may hold a hearing to consider evidence related to such petitions or recommendations, or related to any rule, regulation, or practice regarding the same, as a basis for Transportation Commission recommendations to the County Board concerning the appropriate Taxicab rates, charges, or surcharges. Any Transportation Commission recommendation provided to the County Board shall be provided not later than a date determined by the County Manager. Thereafter, the County Board may consider enacting an ordinance or ordinance amendment changing the rates of fares, charges, or surcharges. If the Transportation Commission does not forward a recommendation to the County Board by the date determined or the County Manager, then the Board may act without any such recommendation.

(g) Notwithstanding the biennial consideration by the County Manager of any requested or proposed changes in rates of fares, charges, or surcharges, such consideration shall not prohibit the County Board from enacting at any time any ordinance amendments, regarding Taxicab rates or otherwise, on an emergency basis or otherwise.

(h) Gasoline surcharge increases and decreases due to changes in gasoline costs. Rates of fare may be increased by a gasoline surcharge authorized by the County Manager, if the County Manager first determines that: there is a sustained increase, for a period of not less than thirty (30) days, in the retail price of gasoline in the Commonwealth of Virginia; that such increase requires a surcharge to maintain stability in the provision of Taxicab Service in Arlington County; and a surcharge is necessary to prevent such gasoline price increase from having a serious adverse financial impact on the Drivers or Certificate-holders. If, after considering the above criteria, the County Manager determines that a surcharge is necessary and appropriate, then the surcharge amount, after the notices hereinafter provided, shall be as set forth in such notices. The established or increased surcharge amount shall be based upon the County Manager's determination of the range of retail gasoline prices, as set forth in the table below:

Range of retail gasoline price:    Established or increased surcharge:

\$3.35-\$3.84	\$0.50
\$3.85-\$4.34	\$1.00
\$4.35-\$4.84	\$1.50
\$4.85 or greater	\$2.00

If, after considering the above criteria, the County Manager determines that a surcharge reduction or elimination is necessary and appropriate, then the reduced or eliminated surcharge amount, after the notices hereinafter provided, shall be as set forth in such notices. The reduced or eliminated surcharge shall be as follows based upon the County Manager's determination of the range of retail gasoline prices, during the immediately preceding thirty (30) days, as set forth in the table below:

<u>Range of retail gasoline price:</u>	<u>Reduced or eliminated surcharge:</u>
\$3.25 or less	\$0.00
\$3.26-\$3.75	\$0.50
\$3.76-\$4.25	\$1.00
\$4.26-\$4.75	\$1.50

If the County Manager determines that either an established or increased surcharge, or a reduced or eliminated surcharge, is necessary and appropriate, then the County Manager shall notify each Certificate-holder in writing of any such surcharge. Such notice shall indicate the amount of the surcharge and the effective date thereof. In addition, the County Manager shall cause to be advertised, once per week for two (2) successive weeks, in a newspaper of general circulation in Arlington County, a notice of such surcharge and the effective date thereof. The second notice shall appear in the newspaper before the effective date of the surcharge. The Certificate-holder shall cause such notice of such surcharge to be conspicuously displayed, and each Driver shall display such notice in each Taxicab to Passengers at all times. The Driver shall immediately remove such notice when the surcharge is eliminated.

**§25.1-17. Operation of Taxicabs.**

(a) Out-of-service notice.

At all times when a Taxicab is not available for transporting any Passenger, the Driver shall conspicuously display, upon or in the Taxicab, a notice or placard, in a form approved by the County Manager, or his designee, indicating that the Taxicab is out of service.

(b) Duty to accept and convey Passengers.

When directed by the Taxicab dispatcher, or upon request of any potential Passenger, each Driver shall accept and convey any potential Passenger, unless:

- (1) the Taxicab is out of service;
- (2) the Driver is expressly committed to accept or convey another Passenger or potential Passenger; or
- (3) the Driver is prohibited by this Chapter or by law from hiring or accepting such potential Passenger.

(c) Any Driver refusing to transport a potential Passenger for any reason other than those stated in subsection (b) above shall:

- (1) immediately report the incident to the dispatcher or to the Certificate-holder, and
- (2) not later than forty-eight (48) hours after the occurrence, deliver a written report to the Taxicab Inspector or his designee, in an approved method, which report shall include the date, time, address or location, and a description of the incident, and all reasons why the transportation was refused.

(d) A Driver may terminate the transportation of a Passenger or refuse to transport a potential Passenger if the Driver reasonably believes the Driver's life, safety or property is in danger. In such event, the Driver shall make the report required by subsection (c) above.

(e) Use of tobacco within Taxicab. A Driver, while the Taxicab is occupied by a Passenger, shall not have in his or her possession a lighted cigarette, lighted cigar or lighted pipe. Furthermore, no Passenger shall have in his or her possession a lighted cigarette, lighted cigar or lighted pipe inside a Taxicab engaged in Taxicab Service. No Driver shall engage in chewing tobacco or using snuff while the Taxicab is occupied by a Passenger. A sign indicating that smoking or use of tobacco is not permitted shall be posted in each Taxicab.

(f) Use of cell phone, text-messaging device, sound system, or radio by Driver. No Driver, while the Taxicab is occupied by a Passenger, shall play a sound system or radio if the Passenger or Passengers request that the Driver not do so. Additionally, no Driver shall use a cell phone or text-messaging device while the Taxicab is occupied by a Passenger. This subparagraph (f) shall not apply to any method of communication used by a Driver to: communicate with a Taxicab dispatcher; communicate with law enforcement personnel; or obtain traffic information.

(g) Receiving and discharging passengers. No Driver shall stop a Taxicab, or any portion thereof, on the traveled portion of any highway, street, or other place open to use by the public for vehicular travel, to receive or discharge any Passenger or their belongings, except where motor vehicle parking or stopping is specifically permitted by law. When so permitted, the Driver shall park or stop the Taxicab in the manner permitted by law. No Driver shall load or unload Passengers or their belongings in a manner that impedes or interferes with the orderly flow of vehicular traffic.

(h) How Passenger of the vehicle is to enter or leave Taxicab. A Driver shall not permit any potential Passenger to enter a Taxicab, or permit a Passenger to exit a Taxicab, from the left side, except when the Taxicab is at the left curb of a one (1) way street or when the Taxicab is parked or standing perpendicular to the curb at a location where such parking or standing is permitted.

(i) Restriction on number of Passengers in any Taxicab. A Driver shall not permit more persons to enter a Taxicab in Arlington County in excess of the seating capacity thereof, as rated by the Taxicab's manufacturer, including the Driver.

(j) Acceptance of additional Persons. Whenever any Taxicab is occupied by a Passenger, the Driver shall not permit any other Person to occupy such Taxicab, unless the Passenger, having been requested by the Driver, gives affirmative permission to the Driver to do so.

(k) Deception of Passengers. A Driver shall not deceive any Passenger, or potential Passenger, as to the destination, route, rate of fare, or any other provision of this Chapter.

(l) Trips to be made by most direct route.

A Passenger may request that a Driver take a Passenger-specified route to the Passenger's destination. If a Passenger does not specify a route, then a Driver shall take the most direct route from the point of pickup to the destination. A Driver may suggest, and a Passenger may approve, a less direct route.

(m) Compliance with lawful requests of Passengers. All Drivers shall comply with all reasonable and lawful requests of Passengers.

(n) Lost personal property. All personal property found in a Taxicab at the end of a trip shall be immediately returned by the Driver or Certificate-holder to the Passenger who left the item(s) in the Taxicab, if the identity of the Passenger is known or can be reasonably ascertained. Otherwise, the personal property shall be deposited by the Driver with the Certificate-holder at the conclusion of the Driver's tour of duty. A notation describing the property, any identifying marks therein, and its estimated

value shall be made on the Driver's manifest. A written report including a description of the property and its estimated value shall be submitted by the Driver or Certificate-holder to the Taxicab Inspector within twenty-four (24) hours of the finding of the property.

(o) Alcohol and narcotics. No Driver shall ingest or be under the influence of alcoholic beverages, narcotics or other habit-forming drugs while operating a Taxicab. No Driver shall transport in a Taxicab alcoholic beverages or narcotics other than those carried in possession of a paying Passenger.

(p) Length of driver's working day. No Driver of any Taxicab shall operate, nor shall a Certificate-holder require or permit any Driver to operate, a Taxicab for more than thirteen (13) hours within any consecutive twenty-four (24) hour period.

(q) Solicitation. No Driver shall solicit potential passengers by word, signal or otherwise.

(r) Leaving Public Vehicle Driver's License in unattended Taxicab. A Driver shall not leave any Public Vehicle Driver's License in an unattended Taxicab.

(s) Use of Taxicab for unlawful purposes. No Driver or Vehicle Owner or Certificate-holder shall use, or permit to be used any Taxicab for any unlawful purpose.

(t) Drivers to be clean and neat. Every Driver of a Taxicab while on duty shall be clean and neat in dress and in person.

(u) Taxicabs to be attended by Drivers. Every Taxicab, while in operation and available for the transportation of Passengers, shall be attended by the Driver at all times.

(v) Taxicab Stands. No Taxicab shall occupy a Taxicab Stand except for the purpose of being held forth for hire. Taxicabs shall enter public stands only at the rear approach to such stands. Every Taxicab shall move forward toward the front of the stand immediately as space becomes available for the Taxicab by either the departure or movement of preceding Taxicab(s). When a Taxicab Stand is fully occupied by the maximum number of Taxicabs authorized for such stand, then no Driver shall loiter or wait nearby for the purpose of occupying a space expected to become available within the Taxicab Stand. Prospective passengers may choose to hire any Taxicab occupying any position in a Taxicab Stand.

(w) Compliance with laws and ordinances. Every Taxicab shall be operated in accordance with all applicable federal, state and local laws, ordinances and regulations.

#### **§25.1-18. Taximeters, maintenance and inspection thereof.**

(a) Taximeter required.

(1) All Taxicabs operating under the authority of this Chapter shall be equipped with Taximeters capable of computing fares on a mileage and time basis. Taximeters must register on visual counters displaying the following information: total miles, paid miles, number of trips, and the cost of "extras."

(2) Every Taximeter shall be set in strict accordance with the current rates of fare established by this Chapter. The Taximeter shall accurately compute the fare, and shall clearly satisfy all other requirements of this Section.

(b) Requirements prior to use.

Prior to being used in passenger service, each Taximeter required by this section shall be calibrated by a Commonwealth of Virginia-certified Weights & Measures technician indicated by a Placed in Service Report and a tamper-proof seal affixed thereto.

(c) Tampering of Taximeters prohibited.

(1) It shall be unlawful for any Person to tamper with any Taximeter required by this section.

(2) It shall be unlawful for any Person to change or cause to be changed any part of any Taximeter or any part of any Taxicab to which such Taximeter is attached, directly, or indirectly, which change may alter the accuracy of such Taximeter.

(3) It shall be unlawful for any Person to operate or permit to be operated any Taxicab for hire if such Taxicab's Taximeter has not been properly sealed in accordance with this section.

(d) Inspection of Taximeters.

The Taxicab Inspector, or his designee, may require that each Taximeter be inspected annually, on a schedule as determined by the Taxicab Inspector, or his designee. Without limiting the foregoing, all Taximeters shall be subject to inspection at all times, at a place designated by the Taxicab Inspector, or his designee, for compliance with the requirements of this Chapter and any rules and regulations promulgated hereunder.

(e) It shall be unlawful for any Person to operate, or permit to be operated, a Taxicab for hire with knowledge that the Taxicab is not in strict compliance with this section.

#### **§25.1-19. Vehicles and contents.**

(a) All motor vehicles meeting the definition of Taxicab shall be subject to the requirements of this Chapter. Unless otherwise provided in this Chapter, every Taxicab shall be of passenger car design, carry no more than six (6) passengers excluding the driver, and shall be equipped with at least two (2) doors for the entrance and exit of Passengers, in addition to the front door located on the Driver's side. All passenger doors shall be constructed so as to remain securely fastened during normal operation of the Taxicab, provided, however, that such passenger doors shall be designed so as to be easily opened by a Passenger in an emergency. Every Taxicab shall be equipped with tires having at least two thirty-seconds (2/32) of an inch of tread. No Taxicab shall be operated with unsafe tires or tires not meeting the above tread requirement. Every Taxicab shall be equipped with a properly inflated spare tire mounted on the appropriate rim.

(b) No Taxicab shall be equipped or modified in such a way as to shield the occupants or Driver from observation from outside the Taxicab.

(c) Every Taxicab in service shall be equipped with a properly installed speedometer and odometer, each maintained in good working order and each exposed to view. If a Taxicab is found to have a defective speedometer or odometer, then the Taxicab shall not be operated until the speedometer or odometer is repaired. The Certificate-holder shall provide to the Taxicab Inspector or his designee, within fifteen (15) Days of any odometer replacement, the date of change, old odometer reading, reading on replacement odometer at the time of installation thereof, and Taxicab number.

(d) The upholstery covering the interior lining of every Taxicab shall be of a synthetic or any other nonabsorbent, washable material, with the exception of a "kick" strip not exceeding a reasonable height at the bottom of the doors. The rear cushion shall be removable. No floor mat shall be permitted in any Taxicab, unless it is made of nonabsorbent, washable material and easily removable, except when such floor-covering material is cemented in place on the floor of a Taxicab and the entire area of the floor is covered.

(e) Every Taxicab shall be so constructed and shall be maintained as to provide for the safety of the public and for continuous and satisfactory operation. Every Taxicab shall be further constructed and

manufactured to reduce to a minimum, noise and vibration caused by operation. Every Taxicab shall be structurally sound and shall neither be placed in, nor remain in, service unless the taxicab has passed state inspection at the required times. All factory-installed safety equipment shall be in good working condition at all times. A Certificate-holder will be given a reasonable time to complete needed repairs, except in cases where the defect affects the safety of the Taxicab and/or the Passengers therein. In such cases, the Taxicab shall not be operated until all defects have been corrected. Every Taxicab shall be painted to give reasonable protection to all exposed surfaces from the elements, and all identifying marks shall be clearly legible at all times.

(f) Every Taxicab shall be equipped with cruising lights mounted on the forward portion of the roof of the Taxicab. The lights shall be of a design so as to clearly identify the vehicle as a Taxicab. A Driver, when offering Taxicab Service, shall have the cruising light on from sunset to sunrise. Each Taxicab shall also be equipped with one (1) or two (2) marker lights on the forward portion of the roof of the taxicab. The marker lights shall be connected to, and shall be operated by the Taximeter such that when the Taximeter is on, the marker lights are off and vice versa.

(g) Color scheme and insignia for Taxicabs:

(1) Every Taxicab authorized under a Certificate shall have a color scheme, insignia and cruising light of design, uniform with other Taxicabs authorized under such Certificate, and approved by the County Manager, or his designee.

(2). No approved color scheme, insignia, cruise light design, or addition of advertising or advertising devices on or within Taxicabs shall be changed without the prior written approval of the County Manager, or his designee.

(h) All identifying marks on Taxicabs shall be plainly distinguishable in letters not less than three (3) inches in height. The Taxicab number shall not be less than four (4) inches in height, permanently painted or otherwise permanently affixed to each of the two (2) front quarter panels of the Taxicab and to the right and left side of the rear window. The lettering shall indicate the name of the Taxicab Company.

(i) Every Wheelchair-accessible Taxicab shall be plainly marked with a reflective six (6) inch by six (6) inch blue with white markings international wheelchair symbol on each side of the Taxicab and on the rear of the Taxicab. All wheelchair symbols shall be above door handle height. A reflective four (4) inch by four (4) inch international wheelchair symbol shall be placed on the top center of the windshield.

(j) If a motor vehicle is taken out of service as a Taxicab on a permanent basis, then the Certificate-holder and Vehicle Owner shall, within seventy-two (72) hours thereafter, remove or cause to be removed the Taxicab markings along with all other indications of the vehicle's previous use as a Taxicab.

(k) Every Taxicab shall be equipped with a light capable of illuminating the interior of the Taxicab and controlled by the operation of the doors or manually controlled by the Driver.

(l) Every Taxicab shall be kept in as clean and sanitary a condition as is reasonably possible considering existing weather conditions. A Certificate-holder shall be given reasonable time in which to clean a Taxicab upon direction of the Taxicab Inspector or his designee.

(m) Every Taxicab shall be equipped at all times with heating and air conditioning units in good working condition. Such units shall be turned on or off by the Driver at the Passenger's request.

(n) The average fuel efficiency (based on the United States Environmental Protection Agency combined (city/highway) fuel-efficiency ratings for driving), during the specified twelve (12) month period, among all Taxicabs placed into service as additional and replacement vehicles ("New Taxicabs") by such

Certificate-holder shall be the following or any more stringent federal Corporate Average Fuel Economy standard in effect at that time:

Twelve (12) Month Periods beginning July 1 and ending June 30	Average Fuel-Efficiency Rating for New Taxicabs (miles per gallon)
2010/11 and 2011/12	26 or greater
2012/13 and 2013/14	28 or greater
2014/15 and 2015/16	30 or greater
2016/17 and 2017/18	32 or greater
2018/19 and 2019/20	34 or greater
2020/21 and thereafter	35 or greater

Wheelchair-accessible Taxicabs shall be excluded from the above fuel-efficiency calculations. Taxicabs not primarily powered by gasoline or diesel fuel also shall be excluded from the above fuel-efficiency calculations.

(o) Any Certificate-holder that fails to meet or exceed the applicable average fuel efficiency ("Rating") for any twelve (12) month period specified in subsection (n) above, upon written notice from the County Manager, or his designee, shall be subject to the requirements of subsection (q) below.

(p) As of March 1, 2011, and as of each March 1 thereafter, each Certificate-holder that has placed any New Taxicabs into service since July 1 of the previous year shall meet the Rating for the applicable twelve (12) month period in subsection (n) above. Any Certificate-holder that fails to meet or exceed such Rating, upon written notice from the County Manager, or his designee, shall be subject to the requirements of subsection (q) below.

(q) A Certificate-holder that has been provided notice under subsection (o) or (p) or both, above, shall not place into service any New Taxicab unless the Rating of such Taxicab equals or exceeds the Rating for the applicable twelve (12) month period specified in subsection (n).

(r) New Taxicabs that are Wheelchair-accessible or not primarily powered by gasoline or diesel fuel are permitted with any Rating.

(s) If the County Manager, or his designee, determines that any Certificate-holder, receiving a notice under subsection (o) or (p) above, has increased the average Rating for New Taxicabs so as to meet or exceed the applicable Rating in subsection (n) above, then the County Manager, or his designee, may issue notification to such Certificate-holder that it is no longer subject to the prohibition in subsection (q) above.

(t) Prior to placing in service a Wheelchair-accessible Taxicab, the Certificate-holder shall present to the County Manager, or his designee, proof of the Driver's successful completion of training in the use of wheelchair lifts, in accordance with the County Manager's requirements.

#### **§25.1-20. Age of vehicles.**

(a) It shall be unlawful for any Certificate-holder to place, or permit to be placed, into Taxicab Service in Arlington, County any motor vehicle which has been previously used for any purpose, with a model-year age greater than two (2) years, or with greater than eighty thousand (80,000) recorded miles of use, and such vehicle shall be approved by the County Manager, or his designee, after being satisfied as to the

condition of the Taxicab. Notwithstanding the above, a Wheelchair-accessible motor vehicle, which has been used previously for any purpose, having a model-year age of less than four (4) years and not greater than one hundred and twenty-five thousand (125,000) recorded miles, may be approved by the County Manager, or his designee, after being satisfied as to the condition of the Taxicab.

(b) It shall be unlawful for any Certificate-holder to operate, or permit to operate, a motor vehicle for Taxicab Service any vehicle having a model-year age greater than seven (7) years or with greater than three hundred and fifty thousand (350,000) recorded miles of use.

**§25.1-21. Inspection of Taxicabs; inspection fee; procedure when Taxicab is found in unsafe, unfit or unclean condition.**

(a) The Taxicab Inspector, or his designee, may require that each Taxicab be inspected annually, on a schedule as determined by the Taxicab Inspector, or his designee. Notwithstanding the foregoing, each Taxicab operating under a Certificate within Arlington County, Virginia shall be subject, at all times, to inspection by the Taxicab Inspector, his designee, or any law enforcement officer, at such times and places determined by such persons.

(b) The fee for each scheduled inspection of a new or in service Taxicab operating under a Certificate in Arlington County, Virginia shall be twenty dollars (\$20.00). Such fee shall be paid at such times as determined by the Taxicab Inspector or his designee.

(c) If, after an inspection, any Taxicab is determined by the Taxicab Inspector to be in unsafe condition, then the Taxicab shall immediately be removed from service by the Driver and the Certificate-holder. The Taxicab shall not be operated thereafter until the unsafe condition has been remedied and the Taxicab Inspector, or his designee, has re-inspected such Taxicab and authorized its return to service.

**§25.1-22. Obstruction and hindering of official duties; false statements.**

(a) It shall be unlawful for any Person to prevent, hinder or obstruct the County Manager, his designee, the Taxicab Inspector, his designee, or any law-enforcement officers in the performance of their official duties authorized by this Chapter.

(b) It shall be unlawful for any Person to obtain, or attempt to obtain, any Certificate, Public Vehicle Driver's License, authorization, or permission, pursuant to this Chapter, by fraud, misrepresentation, false or misleading statement, or omission of any material fact.

**§25.1-23. Transfer of Certificates.**

(a) Board approval required.

(1) A Certificate is a privilege that is in the public trust and personal to the Certificate-holder. A Certificate-holder's obligations under its Certificate involve services, the performance of which involves trust and confidence in the Certificate-holder.

(2) No Transfer (including, but not limited to, transfer as a result of forced or voluntary sale, merger, consolidation, receivership, or any other means) shall occur unless prior application is made by the Certificate-holder to the County Manager, or his designee, and the Board's prior written consent is obtained, pursuant to this Chapter, subject to such terms and conditions as the Board deems necessary and proper. Any Transfer without the Board's prior consent shall be considered to impair the County's assurance of due performance by the Certificate-holder. The approval of an application for a Transfer shall not render unnecessary approval of any subsequent Transfer.

(b) Application.

(1) A Certificate-holder shall promptly notify the County Manager, or his designee, of every proposed Transfer.

(2) At least one hundred and twenty (120) calendar days prior to the proposed effective date of a Transfer, the Certificate-holder shall submit to the County Manager or his designee, a request for approval of the Transfer. The request shall provide complete information on the proposed transaction, including details on the legal, financial, technical, and other qualifications of the proposed transferee, and on the potential impact of the Transfer on Taxicab Service in Arlington County, and copies of the following:

(i) All information and documents required by section 25.1-3(b) of this Chapter, concerning the proposed transferee;

(ii) All contracts, transfer agreements, financing documents, or other documents that relate to the proposed transaction, and all documents, schedules, exhibits, or the like referred to therein;

(iii) Complete financial statements for the proposed transferee for the last three (3) years, including balance sheets, income statements, profit and loss statements, and documents detailing capital investments and operating costs;

(iv) A detailed description of the sources and amounts of funds to be used in the proposed transaction;

(v) Complete information regarding any potential impact of the Transfer on Taxicab Service in Arlington County.

(3) In addition to providing the information specified above, the Certificate-holder shall, at the request of the County Manager, or his designee, furnish all other information necessary to provide a complete and accurate understanding of the financial position of the Certificate-holder's and the proposed transferee's Taxicab Businesses before and after the proposed Transfer.

(4) For the purpose of determining whether it shall consent to a Transfer, the Board, the County Manager, the Taxicab Inspector, or their designees, may inquire into all qualifications of the proposed transferee and such other matters as the County may deem necessary and relevant to determine whether the Transfer is in the public interest and should be approved, denied, or conditioned. A Certificate-holder and the proposed transferee shall assist the County in any such inquiry. If the Certificate-holder or transferee fails to do so, the request for a Transfer may be denied.

(c) Determination by the Board. The Board shall act upon an application for transfer of Certificate after written notice to the Applicant of a public hearing, during which the Applicant shall be granted an opportunity to be heard. In making a determination as to whether to grant, deny, or grant subject to conditions, a request for a Transfer, the Board may consider, without limitation: the legal, financial and operational qualifications of the proposed transferee to operate a taxicab business and provide taxicab service in Arlington County; any potential effects of the transfer on Taxicab Service, whether a Certificate-holder is in compliance with the existing Certificate and this Chapter and, if not, the proposed transferee's commitment to cure such noncompliance; whether the transferee owns or controls any other Taxicab Business, and whether operation by the transferee or approval of the Transfer would adversely affect the provision of Taxicab Service in Arlington County, or the health, safety and welfare of the citizens of Arlington County and the public at large.

(d) Transferee's agreement. No request for a Transfer of a Certificate shall be granted unless the transferee agrees in writing that it will abide by and accept all terms of this Chapter and any conditions placed upon the transfer by the Board. Upon approval of a Transfer, the Certificate-holder shall surrender to the County Manager the Certificate and a new Certificate, consistent with the Board approval, shall be issued by the County Manager or his designee, to the transferee.

(e) Approval does not constitute waiver. Approval by the Board of a Transfer does not constitute a waiver or release of any of the rights of the County under this Chapter, whether arising before or after the date of the Transfer.

(f) A Certificate shall be neither assigned, leased nor sold.

**§25.1-24. Notification in Taxicabs of proposed amendments to this chapter.**

Upon written direction from the County Manager to each Certificate-holder, such Certificate-holder shall cause to be conspicuously displayed in each Taxicab a notice indicating the date, purpose and place of a public hearing during which amendments to this Chapter are scheduled to be considered by the County Board.

**§25.1-25. Rules and regulations.**

The County Manager may promulgate such rules and regulations as deemed necessary to address, regulate and control: safe and reliable Taxicab Service; the operation of Taxicabs; the character and qualifications of Drivers; the Taxicab Business; and, any other matters within the scope of this Chapter.

**§ 25.1-26. Compliance with this Chapter and Reciprocity Agreements.**

(a) Every duly authorized Taxicab, Certificate-holder, or Driver in Arlington County shall comply with all applicable provisions of this Chapter and all applicable provisions of every current reciprocity agreement between the County and any other state, locality, or entity.

(b) The Driver of a Taxicab which is duly authorized to operate as a Taxicab in any other jurisdiction of the Commonwealth of Virginia, or in any other state, or in the District of Columbia may convey into and may discharge within Arlington County a passenger or passengers. If required by the passenger or passengers, the Taxicab Driver conveying the passenger or passengers into Arlington County may wait for the passenger or passengers and convey the passenger or passengers to his or her or their ultimate destination. The Driver of a Taxicab registered in any jurisdiction other than Arlington County shall not otherwise solicit, pick up, transport, convey, or wait for any passenger or passengers within Arlington County, except as permitted in any reciprocity agreement.

**§ 25.1-27. Enforcement.**

The provisions of this Chapter may be enforced by the County Manager, his designee, the Taxicab Inspector, his designee, or any law-enforcement officer.

**§25.1-28. Penalties.**

(a) Any Vehicle Owner or Driver who violates any provision of this Chapter, or any rule or regulation promulgated hereunder, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars (\$100.00) for the first offense, and not more than five hundred dollars (\$500.00) for each subsequent offense.

(b) Any Person, other than a Vehicle Owner or Driver, who violates any provision of this Chapter, or any rule or regulation promulgated hereunder, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished as provided in section 1-6 of this Code.

**§25.1-29. Effect of enactment of this chapter.**

Every Certificate and Public Vehicle Driver's License in effect on the date of the enactment of this Chapter shall continue in full force and effect.

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2.

Be it further ordained that this Ordinance shall be effective upon enactment.



## ARLINGTON COUNTY, VIRGINIA

Attachment 2

<p><b>County Board Agenda Item Meeting of March 14, 2009</b></p>
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**DATE:** March 13, 2009

**SUBJECT:** Request to Advertise for a Public Hearing on April 25, 2009, an Ordinance to Enact a New Chapter 25.1 (Taxicabs) of the Code of Arlington County, Virginia (“Code”), and to Repeal Chapter 25 (Taxicabs) of the Code, Concerning the Regulation, Operation and Control of Taxicab Service, Taxicab Businesses, Owners, Drivers and Passengers, Including the Establishment of Rates and Charges for Taxicab Service, to Be Effective upon Enactment

**C. M. RECOMMENDATION:** Authorize advertisement for a public hearing at the April 25, 2009, County Board meeting, an ordinance to enact a new Chapter 25.1 (Taxicabs) of the Code of Arlington County, Virginia (“Code”), and to repeal Chapter 25 (Taxicabs) of the Code, concerning the regulation, operation and control of taxicab service, taxicab businesses, owners, drivers and passengers, including the establishment of rates and charges for taxicab service, to be effective upon enactment.

**ISSUES:** County Board action is needed to advertise and eventually enact a revised Taxicab Ordinance with the following major changes:

- The proposed new Taxicab Ordinance (Chapter 25.1 of the County Code) specifies a more systematic and data-driven approach both for determining how many taxicabs are to be authorized and to which companies, and for periodic consideration of rates of fare.
- The proposed application and other fees structure is considerably higher than under the current ordinance (Chapter 25 of the County Code), commensurate with the level of staff effort necessary to defray the cost for such consideration of certificates and rates.
- The proposed consideration of certificates, every two years instead of every year, begins with the County Manager’s determination of how many more taxicabs, if any, should be authorized.
- The proposed process offers better opportunities for applicants that do not already operate taxicabs in Arlington, and allows for increased competition within Arlington County’s taxicab industry.
- The proposed new ordinance provides a regular interval for considering rates of fare, every two years, if needed. The ordinance does not, however, restrict or limit when the County Board can consider rates of fare.

County Manager: \_\_\_\_\_

County Attorney: \_\_\_\_\_

Staff: Kelly Cornell, DES/DOT  
John Lafley, Police Department, Taxicab Inspector  
Mark Kellogg, DES/DOT

**SUMMARY:** A comprehensive revamping of Arlington County's Taxicab Ordinance has been proposed in order to build upon the successes of the existing ordinance while also addressing concerns that have arisen over the last several years. Staff has worked intensively with the Transportation Commission, the taxicab industry and interested stakeholders, using a consultant with extensive knowledge & experience in the field, to develop an improved ordinance. Major features of the new ordinance are regular, biennial processes for consideration of rates of fare and certificate increases. A new annual fee is proposed, per taxicab authorized, to provide the funding for the data collection and analyses to provide a solid statistical basis for these processes. Existing fees are updated. Advertising the proposed ordinance in March, and enactment in April, will make the ordinance effective before the existing process begins under the present ordinance to accept certificate applications between May 1 and May 10.

**BACKGROUND:** The taxicab industry, like other transport industries, was brought under regulation in most U.S. cities during the late 1920s and 1930s, largely because of the extremely competitive conditions stimulated by the Great Depression. Though regulation was not uniform across cities, it largely consisted of three elements: entry regulation, price regulation and quality regulation.

Although a sizeable majority of cities in the United States and Canada limit entry to the taxicab business, entry controls are criticized by some economists. In fact, prevailing economic theory, along with substantial economic deregulation in other transportation industries during the late 1970s and early 1980s, led to a significant deregulation of the U.S. taxicab industry by the early 1980s.

While the effects of deregulating the taxicab industry in the United States have varied depending on local markets and conditions, deregulation has generally been unfavorable. Several studies concluded that deregulation of the taxicab industry is a departure from the experience with deregulation in other industries, and is influenced by taxi market imperfections which reduce or remove incentives for price and service quality competition. Consequently, most cities which had fully deregulated taxicab service have since reverted to some form of control over market entry.

Today, regulations governing the taxicab industry continue to vary by location but typically address entry, fares, and service. These regulations are generally aimed at preventing an oversupply of taxicabs and providing convenient, affordable, and safe service. Arlington County is one of many local governments that continue to successfully regulate the taxicab industry. While the current process used to regulate taxicabs in Arlington County can be cumbersome and is in need of revisions, the overall result of the County's regulatory efforts is efficient, equitable, and safe taxicab service.

Arlington's Taxicab Ordinance (Chapter 25 of the County Code) was developed several decades ago. About 30 years ago, what had been the role of a former public-utilities County advisory body was taken over by the Transportation Commission. Since then, there have been isolated, relatively minor changes to the ordinance in terms of periodic changes in rates of fares, the addition of a bulk-purchase discount, the ability to bring certain vehicles into service that are not brand new, the ability of companies to self-insure, and provisions for service to people in wheelchairs. However, the structure of the ordinance and the process for awarding certificates have remained the same.

The current annual process for considering certificates of public convenience and necessity is outdated, cumbersome and confusing. It begins with a 10-day window at the beginning of May. Between May 15 and July 15, the Transportation Commission conducts an annual meeting, considers any applications received, and develops recommendations to the County Manager concerning the number and allocation of taxicabs. Especially in years for which there are applications, the Transportation Commission has been frustrated as it has attempted to carry out its specified role to develop recommendations to the County Manager, citing insufficient data. More than 20 years ago, two former commissioners took it upon themselves to perform their own sample analysis of taxicab manifests, and this was continued by the staff for quite a few years after these commissioners' efforts were discontinued. Even with that analysis, Commission members expressed frustration with the level of information available. Some Commission members have also been uncomfortable with the process of making taxicab recommendations to the County Manager when the Commission's normal process is to consider recommendations from the County Manager, so that the Commission can consider and make its recommendations to the County Board.

In 2006, for the first time, there was consideration of alternative-fueled vehicles which is something that the current Taxicab Ordinance does not address. This recent opportunity, combined with the continued frustration with the cumbersome process under the current ordinance, led to the County Manager in 2007 directing the staff to consider a comprehensive overhaul of the ordinance.

**DISCUSSION:** In the Spring of 2007, Arlington contracted with Nelson-Nygaard to perform a study that examined existing conditions, compared Arlington's taxicab regulation with those of peer jurisdictions, and developed strategies to address the issues and opportunities identified. In May, 2007, applications were submitted for 215 additional taxicabs --- which would have resulted in a 32-percent increase to the authorized fleet size at the time --- including a request for 100 taxicabs from a proposed new company: EnviroCab.

Facing this challenge of considering an increase of unprecedented magnitude, the Transportation Commission decided to conduct an informal workshop that was held on June 5, 2007, in advance of the ordinance-required annual meeting. It was recognized that the consideration of taxicabs for 2007 would need to follow the usual process, and be based on the information already available, but that this process in 2007 would provide lessons on what the information and process should be. Nelson-Nygaard observed and documented this process as it continued to a conclusion in the Fall of 2007. EnviroCab was authorized to operate a fleet of 50 hybrid taxicabs, and existing companies were authorized to operate 36 additional vehicles, all of which either were wheelchair-accessible, or were committed to be hybrids.

The Nelson-Nygaard study --- Arlington County Taxi Study, Final Report --- was completed in April, 2008. The study recommends strategies for improving regulation focused on the following three goals:

- "Regulations concerning Arlington County's taxicab industry should be driven by an interest in promoting the best service possible for customers. With this in mind,

standards for customer service should be defined and monitored for adherence. These include minimum response times and maximum waiting times.

- The quality and diversity of information available to the Transportation Commission should be expanded to help it with decisions, especially those that concern the level of documented demand for service and performance of firms against customer-service standards.
- These data and metrics should be incorporated into a revised license-allocation process which rewards firms that meet and exceed minimum criteria for customer-service performance.”

The study outlines strategies for achieving those goals, improving the taxicab customer’s experience, improving the taxicab driver’s welfare, and reducing environmental impact.

In February, 2009, Nelson-Nygaard was hired to document the theory behind regulating supply and price for taxicabs, and to document the experience of localities that have regulated fewer elements. The draft technical memorandum, dated February 27, 2009, (Attachment A), presents both the theoretical and empirical rationale for regulating entry to the taxicab market, and for regulating taxi fares. The main findings of the memorandum are:

- Fare and entry regulation address different market failures. Fare regulation seeks to mitigate the consumer’s problem of incomplete information and an inability to shop around. Entry controls seek to mitigate an oversupply of taxicabs, particularly from independent operators. Thus, the two forms of regulation are complementary.
- A very strong theoretical basis for regulating taxicab fares exists where street hails or taxi stands account for a significant share of the market, primarily due to the lack of price competition as consumers take the first cab available.
- In practice, most cities that deregulated fares have reintroduced fare regulation, because expected price competition did not appear and patrons found different fares confusing.
- The theoretical basis for entry control is somewhat more ambiguous. Economists tend to argue in favor of free entry in order to improve availability and promote competition. However, there is a theoretical rationale for entry control to promote economies of scale; mitigate congestion; permit cross-subsidization of service to unprofitable lower-demand neighborhoods; and increase regulatory leverage.
- In practice, deregulation of entry has had negative impacts and most localities which have deregulated the taxicab industry have reversed course. The increase in taxicab supply following deregulation has usually been due to single-cab independent operators. This has not led to economists’ predictions of improved service quality, as the independent operators focus on already well-served locations such as hotel stands and airports rather than the dispatch market. However, the independent operators have tended to exacerbate congestion, reduce driver earnings, increase fares (to compensate for longer waiting times between trips), and undermine the financial viability of dispatch service by other firms.

Nelson-Nygaard will continue to provide technical expertise and advice as Arlington implements its regulatory structure, once the proposed ordinance is enacted.

### **Community Process:**

Once the County Board consideration of certificates was completed in October, 2008, staff turned attention again to a comprehensive update of the ordinance. As part of the comprehensive update of the ordinance, staff produced an Arlington County Taxicab User Survey, which garnered significant public feedback. The survey findings were quite favorable and indicated that a vast majority of the 125 Arlington citizens who responded to the survey were satisfied with taxicab service within Arlington County. In addition to the survey, staff and the Transportation Commission held four public workshops. The first of these work sessions, along with the User Survey, was advertised on the County webpage, CommuterPage.com, and in the Arlington Insider eNewsletter. Notice of each of the other workshops was also posted online on the Arlington County calendar. In addition to the public, initial outreach was directed at the taxicab industry, the Metropolitan Washington Airports Authority, the hotel/tourism sector via Arlington Economic Development, and the elderly and disabled community via the Department of Human Services.

The initial workshop was held on December 4, 2008, hosted by the Transportation Commission, at which the project manager for Nelson-Nygaard presented its final report. The following four topics were identified as needing further discussion at a subsequent workshop, to which the Civic Federation was also invited to send representatives:

- Service Performance Standards
- Environmental/Fuel-Economy Standards
- Process for Certificate Increases
- Process for Certificate Allocations

The second workshop was held on January 10, 2009, and attendees participated in break-out sessions about the four topics. A third session was held on January 22, 2009, for discussion about rates of fare and further discussion about certificate allocations. The stakeholder comments of those three sessions were considered during the drafting of the new Taxicab Ordinance. This draft was discussed at a meeting held on February 19, 2009, attended by Transportation Commission members, representatives of five of Arlington's seven taxicab companies, one of the two 2008 applicants for taxicabs, a representative of the Civic Federation, and an employee of the Metropolitan Washington Airports Authority.

### **Issues:**

At the four public meetings, discussions focused on the certificate and rate processes, fee levels, and fuel-efficiency standards. While the fuel-efficiency standards (in Section 25.1-19(n)) generated considerable discussion, because some would like them to be higher, and others lower, the recommended approach seems to have been well-received. Additionally, at the Transportation Commission meeting on March 5<sup>th</sup>, there was considerable discussion about competition and how best to incorporate it into the certificate process.

## Fee Levels and Staffing:

Arlington's fees for applying for certificates, taxicab driver licenses, and vehicle inspections have not changed for more than a decade. Beyond that, the processes for considering certificates and regular rate considerations envision considerable data collection, analysis and industry coordination beyond what the current staffing level provides. The fees that are specified related to certificates (in Section 25.1-5) are at a level to support an additional staff person dedicated to administering the ordinance. Should the annual \$150-per-taxicab fee be implemented as is recommended, a staff person should be hired so that the data can be collected and used in the analysis for the certificate process in 2010. If it is determined not to increase fees, the criteria specified for the certificate process (in Section 25.1-4(e)) can still be used but, as today, the analysis will be largely qualitative and use the limited data that can be easily obtained. Without a dedicated staff person, the annual \$150-per-taxicab fee (in Section 25.1-5(b)) should not be enacted.

Table 1 shows Arlington's current fee levels, proposed fee levels, and the corresponding fees in Alexandria and Fairfax County.

**Table 1: Taxi Fees**

	Arlington County, VA (Current)	Arlington County, VA (Proposed)	City of Alexandria, VA	Fairfax County, VA
<b>Certificate Fees: <sup>1</sup></b>				
Annual Fee	none	\$150/vehicle	\$4,000 plus \$150/vehicle <sup>7</sup>	\$150/vehicle <sup>6</sup>
Application Fee	\$25	\$100/additional vehicle <sup>4</sup>	\$4,000	\$100/additional vehicle
<b>Driver License Fees: <sup>2</sup></b>				
Initial Year	\$30.00	\$65.00	\$175.00	\$65.00
Renewal (per year)	\$20.00	\$40.00	\$75.00	\$40.00
Retest	\$15.00	\$30.00	n/a	\$30.00
Replacement	\$10.00	\$20.00	\$25.00	\$20.00
<b>Vehicle Inspection Fees: <sup>3</sup></b>				
Each Inspection	\$10.00	\$20.00	\$170.00 <sup>5</sup>	\$20.00

<sup>1</sup> Paid by existing and prospective companies

<sup>2</sup> Paid by drivers

<sup>3</sup> Paid by vehicle owner

<sup>4</sup> Minimum of \$500 for new companies

<sup>5</sup> Initial inspection is \$270

<sup>6</sup> Pro-rated for partial year for fleet additions

<sup>7</sup> Exception for grandfathered vehicles

## Certificates of Public Convenience and Necessity

Especially from the taxicab industry's viewpoint, one of the very important elements of the proposed ordinance is the process for determining how many taxicabs are allowed to be operated, and by whom. Arlington's current ordinance specifies an annual process that culminates in those decisions by the County Manager, in the context of the annual report on the economic condition of the industry. These decisions on the number and allocation of taxicabs may be appealed by any current company, for hearing by the County Board. If there are multiple appeals, they may need to be heard at different Board meetings, depending upon the filing date in relation to the Board calendar. In a concurrent process, any new applicant for authority to operate taxicabs will have its application considered by the County Board, perhaps at the same Board meeting as any appeals are heard, but perhaps not, depending upon the calendar of Board meetings for that year and the timing of the appeal(s). The Transportation Commission advises the County Manager as to the allocation of taxicabs. Any applicant --- whether an existing company that wishes to expand its fleet, or a new applicant --- needs to justify the application in terms of both demonstrating that the overall business level warrants the additional taxicabs that it is seeking authority to operate, and persuading the County that its application is superior to competing applications, should there be any. The narrow window for accepting applications under the existing ordinance is between May 1 and May 10, annually.

The certificate process included in the proposed ordinance that is recommended to be authorized for advertisement would be every two years, and begin in 2010. This allows for the collection and analysis of data that are key to conducting the proposed process. Because this process requires considerable staff time, the taxicab industry does not change tremendously from year to year, and it sometimes takes a year or more to adjust to changes in the number of taxicabs, it is proposed to consider changes to certificates every two years, as the City of Alexandria and Fairfax County do, rather than annually. When applications filed in 2008 were being considered, the additions to the fleet authorized in 2007 had not been fully implemented, and there was not much of a basis to determine whether the business level was high enough yet to support the authorized fleet, much less the larger fleet should new applications be approved.

The proposed process would begin with the County Manager's determination of the number of taxicabs that, from an analytical standpoint, would be the best number to have operating in Arlington. In doing so (as per Section 25.1-4(a)), the staff would examine market change over the two prior years, industry performance and competition. More specifically, the market change would be based on indicators of demand for taxicab service, including Arlington's resident population, paratransit use of taxicabs, tourism levels and air-passenger traffic. The measurements of performance over the prior two years would include, should the recommended fees and staffing be implemented, a statistical analysis of the existing radio-dispatched company response time, availability and turnover of taxicabs at taxicab stands, and time to engage a taxicab by hailing. Once a new ordinance is enacted, staff will continue to work with the taxicab industry to clarify and refine how this analysis is performed.

As Fairfax County does with its biennial process, Arlington would announce its proposed number of additional taxicabs, if any, no later than June 30 of each even-numbered year. Potential applicants would have two months to prepare and submit proposals, and would need to justify the market demand for the vehicles they request (as specified in Section 25.1-4(c)) only if an applicant's individual request exceeds the number determined by the County Manager for the industry as a whole.

The time period for submitting applications would be two months, instead of the present 10-day window. The public process to consider applications would be in the Fall, rather than the current schedule that is primarily during the summer vacation season. Between the September 1 closing date for applications and early October, it is proposed that the staff analysis be conducted to determine how many additional taxicabs are proposed to be allocated, and to whom. The Transportation Commission would schedule its public meeting (unless there were no applicants), having received the application(s) by September 15. The County Manager would issue the recommendations for the number and allocation of taxicabs (as per Section 25.1-4(d)) by October 15 so that the Transportation Commission would have them, as it typically does for matters upon which it advises the County Board, as part of its consideration. The Transportation Commission's action would be due no later than November 15, to enable County Board consideration before the end of the calendar year.

#### Factors for Allocating Taxicabs

In an effort to streamline the allocation process, the proposed ordinance that is recommended for advertisement specifies 10 factors (in Section 25.1-4(e)) which the County Manager will consider when determining to whom to allocate an increase in the number of taxicabs, if any, and would be applicable to existing companies seeking increases, and to new applicants. All applicants would be evaluated based on what they are proposing they will provide in terms of service types (e.g., hail and stand only vs. dispatch), wheelchair-accessible service, credit/debit acceptance, hybrid and fuel-efficiency, service days and hours, and fleet sustainability. Existing companies would also be evaluated based on their records for vehicle productivity and efficiency, and customer service, such that their service quality could either help or hinder their applications. Once a new ordinance is adopted, with the fee level determined and the corresponding staffing level set, staff will work the industry to clarify and refine how the 10 factors will be quantified.

It is important to note at this time that while 10 factors are specified within the proposed ordinance, the County Manager retains the ability to consider any other relevant information he deems appropriate. Also, as the Transportation Commission is recommending, the proposed ordinance specifies that the County Manager shall further consider the effect of increased certificates on the amount of competition in the industry, the number of certificates the applicant(s) holds relative to the total number of outstanding certificates, and, any proposed innovation to the industry.

## Rates of Fare

Arlington's current ordinance specifies the rates that taxicabs authorized by Arlington must charge, with the exception that discounts may be offered for bulk or prepaid purchases, and for elderly and disabled persons. It specifies that the County Board may change rates, from time to time after a public hearing. Although there is no linkage in the current ordinance between the Transportation Commission's annual meeting and consideration of rates, in practice, rate considerations have sometimes been discussed at this meeting, and they are certainly a consideration of the County Manager's annual report on the economic condition of the taxicab industry. Because gasoline prices have been so volatile in recent years, both the rates in general and gasoline surcharges have been considered more frequently.

The proposed ordinance recommended to be authorized for advertisement proposes a regular process (in Section 25.1-16) for considering rates every two years. Also, thresholds and a process for enacting, increasing, decreasing and discontinuing gasoline surcharges are specified (in Section 25.1-16(h)). In addition, the County Board continues to have the option to consider rates at any time (in Section 25.1-16(g)) though, with a regular biennial process and an administrative process for gasoline surcharges, there should be less need for the government to initiate a rate-consideration process at some time other than every two years. The discount for prepaid or bulk purchase, which is not defined in the current ordinance, is not included in the recommended ordinance, but the discount of up to 25 percent for elderly and disabled persons (in Section 25.1-12(j)) is continued. Other changes are to allow drivers to recoup the airport surcharge (in Section 25.1-12(h)) at the amount that the driver pays, and to recoup tolls (in Section 25.1-12(g)) but only if the passenger refuses an option to travel a route without tolls.

Table 2 shows Arlington's current rates of fare, and also those of Alexandria, Fairfax County, and the District of Columbia. Like Fairfax County does, Arlington would have regular, periodic considerations of rates. Like Alexandria's process, Arlington's process for gasoline surcharges would be administrative --- reducing the lag time and staff time for what is now a three-month process. The surcharges are intended to be identical to Alexandria's. As Fairfax County does, Arlington staff intends to work with the taxicab industry to develop indicators of the need for rate changes. The proposed ordinance specifies rate consideration in odd-numbered years so if it's enacted soon, certificate holders could request a rate increase anytime before the deadline of June 30, 2009. However, with the very small increases in the Consumer Price Index and reduction in gasoline prices since the most-recent rate increase, staff has no intent to raise rates this year and it is unlikely that any certificate holder will request an increase.

The current ordinance does not specify any role for the Transportation Commission in consideration of rates, except in the context of developing its recommendations to the County Manager on taxicab allocations. The proposed ordinance specifies that once the County Manager develops recommendations, they are provided to the Transportation Commission (as per Section 25.1-16(f)) so that it can develop recommendations to the County Board.

**Table 2: Current Taxi Rates/Fares**

	Arlington County, VA	City of Alexandria, VA	Fairfax County, VA	Washington, DC
Dispatch Fee	none	none	none	\$2.00
Initial Drop Charge	\$2.75*	\$2.75**	\$3.25*	\$3.00**
Rate per Mile	\$2.00	\$2.04	\$2.00	\$1.50
Rate per Hour	\$22.50	\$22.67	\$21.18	\$15.00
Extra Passenger (min age)	\$1.00 (6)	\$1.25 (5)	\$1.00 (12)	\$1.50 (6)
Suitcase	\$0.50 per bag if > 2	\$1 - \$2 if > 2	\$0.50 per bag	\$0.50 per bag
Footlocker	\$2.00	n/a	\$2.00	\$2.00
Grocery Bag	none	\$1 - \$2 if > 2	\$0.25 - \$1 if > 2	none
Snow Emergency	none	\$5.00	none	25% of base
Gasoline Surcharge	none current	none current	none current	none current

\* includes 1/5 mile

\*\* includes 1/6 mile

## Transportation Commission Consideration

At its March 5, 2009, meeting, the Transportation Commission considered a draft ordinance, and adopted a motion that outlines the Commission's recommendations. Items about which the Commission discussed recommending changes, and staff comments on them, are as follows:

- **Specify “competition” as one of the factors that determine the number and allocation of certificates.**

*Competition has been added as a specified factor in the determination of the number of taxicabs (in Section 25.1-4(a)(2)) and allocations (in Section 25.1-4(e)).*

- **Define the factors for allocating taxicabs to applicants (in Section 25.1-4(e)).**

*Staff has added some descriptive language in this subsection for some of the factors, so that there is some indication of what will be measured. Staff has been working with the industry to clarify the method for allocating additional taxicabs to applicants. (The current draft is Attachment B.) In 2010 when the County Manager issues the statement (as per Section 25.1-4(b)) indicating the number of additional taxicabs proposed to authorized, the general methodology for this allocation will be issued, so that potential applicants have guidance on how best to compete for additional taxicabs. It is anticipated that this methodology will be refined over time, for each subsequent even-numbered year, without the need to amend the ordinance.*

- **Specify when and how the number of taxicabs authorized would be reduced.**

*While reductions do not appear to be needed anytime soon, it is desirable to specify this. However, even if reductions are unlikely, it is important to work with the industry to try to treat everyone fairly. Once a new ordinance is enacted, staff will work with the industry on this, to develop proposed ordinance amendments for future consideration.*

- **Clarify the definitions of “Transportation Commission” and “Commission”.**

*The ordinance language now specifies “Transportation Commission” in all instances, and that term has been defined.*

- **Conduct the certificate process annually, rather than every two years.**

*The proposed certificate process would be conducted during much of the calendar year in even-numbered years, beginning with the analysis during the first half, and followed by the consideration of applications in the second half. Similarly, in odd-numbered years, the proposed process for considering rates would require considerable staff work, such that doing both at once, at the fee and staffing levels proposed, would likely exceed staffing capacity. Also, after any substantial increase in authorized taxicabs, as there was in 2007, it takes more than a year for the cabs to be put in service and for experience to be gained with that increased fleet, to provide a basis for the subsequent applications. For these reasons, the City of Alexandria and Fairfax County consider certificate applications every two years.*

- **Broaden the language (in Section 25.1-17(h)) to clarify that the prohibition on driver use of phones while in service includes hands-free use, and expand the prohibition to other communication devices.**

*The language has been broadened to also prohibit the use of text-messaging devices. The prohibition of phone usage is clear without the need to be explicit about hands-free use.*

- **Require that taxicabs be posted with the notification of County Board hearings about rates of fare.**

This has been added (to Section 25.1-16(f)).

- **Expand the prohibition on smoking beyond that for the driver, while a passenger is on board.**

*This could be pursued in the future. However, it would require an amendment to a different County Code Chapter, rather than Chapter 25.1 (Taxicabs).*

- **Consider a reduction in taxicab rates because gasoline prices are considerably lower than they were at the time of the most-recent rate increase.**

*Effective August 1, 2008, the mileage rate was increased by 11 percent, from \$1.80 per mile to \$2 per mile, at the same time that a temporary \$1 surcharge was eliminated. At that time, the price of gasoline was well over \$3 per gallon. It had been more than two years since the previous rate change in November, 2005. Considering that now it's been more than three years, during which prices for vehicles, maintenance, and insurance have increased, even though gas prices have plummeted and are even lower (\$2 versus \$2.75) than in November, 2005, an 11-percent increase is not excessive. Both Alexandria and Fairfax County have \$2-per-mile rates.*

- **Change the index for the gasoline surcharge to specify an Arlington or Northern Virginia price index, rather than one for the region as a whole, so that changes such as an increase in the Maryland gas tax would not influence a surcharge.**

*The language now specifies a Virginia index, which is what the AAA reports and Alexandria uses. Staff will consult with Alexandria about using a different index in the future.*

Once the Transportation Commission's letter to the County Board becomes available, staff will forward it along with comments on any additional Commission recommendations.

### **Next Steps**

Should the County Board authorize advertisement of the proposed ordinance at its March 14th meeting, then the public hearing will be held at its April 25<sup>th</sup> meeting. The Transportation Commission has a meeting scheduled for April 9<sup>th</sup> (with a potential carryover session on April 16<sup>th</sup>) at which the Commission may consider the advertised ordinance. Should the County Board enact the proposed ordinance at its April 25<sup>th</sup> meeting, the ordinance could take effect upon enactment. If the proposed ordinance is not enacted (and thus the existing ordinance is not repealed), then applications for certificates could be filed between May 1 and May 10. However, a separate board report provides for advertisement of alternative amendments to the current ordinance. This alternative would move the start of the application process from May 1 to July 20, and move back by about three months the timetable for considering certificates, to allow another three months for consideration of the new ordinance.

**FISCAL IMPACT:** The proposed fees are detailed in Table 1: Taxi Fees, and address the issues of annual certificate fees, certificate-application fees, and license and inspection fees. The proposed annual certificate fee of \$150 per taxicab (in Section 25.1-5(b)) is estimated to produce \$115,000 beginning in FY2010. This fee, assessed on the basis of number of taxicabs authorized, would be used to fund the cost of a 1.0 FTE staff person, along with contracting for data collection that will be needed to conduct the ongoing analysis for the anticipated certificate and rate processes. The additional 1.0 FTE would need to be authorized at the time that the County Board approves the additional fees.

Certificate-application fees will not be collected until the next opportunity to apply, in FY2011, and then will follow a biennial process. Fee revenue from the biennial certificate-application fee is projected to be up to \$25,000. The license fees proposed in Section 25.1-9(i) and inspection fee in Section 25.1-21(b) are estimated to produce about \$90,000 annually, roughly twice the amount raised at the fee levels in the current ordinance. This revenue would reduce the net tax support for the Hack Inspector and other staff who participate in the taxi regulation process.

Increases in fee revenue discussed in this Board report are not included in the FY2010 County Manager's Proposed Budget. When the County Board approves additional fees, estimated revenues could be appropriated at that time.



## ARLINGTON COUNTY, VIRGINIA

Attachment 3

**County Board Agenda Item  
Meeting of May 16, 2009**

**DATE:** May 15, 2009

**SUBJECT:** Request to Advertise for a Public Hearing on June 13, 2009, an Ordinance to Amend Chapter 25 (Taxicabs) of the Code of Arlington County, Virginia (“Code”), and to Re-Adopt it as Chapter 25.1 of the Code, Concerning the Regulation, Operation and Control of Taxicab Service, Taxicab Businesses, Owners, Drivers and Passengers, Including the Establishment of Rates and Charges for Taxicab Service, to Be Effective upon Re-Enactment

**C. M. RECOMMENDATION:** Authorize advertisement for a public hearing at the June 13, 2009, County Board meeting, an ordinance to amend Chapter 25 (Taxicabs) of the Code of Arlington County, Virginia (“Code”) (Attachment 2) and to Readopt it as Chapter 25.1 of the Code, concerning the regulation, operation and control of taxicab service, taxicab businesses, owners, drivers and passengers, including the establishment of rates and charges for taxicab service, to be effective upon enactment.

**ISSUES:** Since the previous version to a new Chapter 25.1 (Taxicabs) (Attachment 1) was authorized by the Board for advertisement for a public hearing, various issues have arisen, and been subsequently addressed, as reflected in the revised proposed ordinance (Attachment 2). Comments about and proposed changes to the advertised ordinance have focused primarily on the following subjects:

- Increasing public notice and participation.
- Strengthening fuel-efficiency standards.
- Determination of the appropriate level of current rates of fare.
- Enacting greater restrictions on smoking and drivers’ use of cellular phones and text-messaging in taxicabs.
- Determination of the number and allocation of taxicabs.

**SUMMARY:** Staff has worked intensively with the Transportation Commission, the taxicab industry and interested stakeholders to develop a new taxicab ordinance to replace the existing Chapter 25 (Taxicabs) of the County Code. At the March 14<sup>th</sup> meeting, the County Board authorized the version of the ordinance in Attachment 1 for advertisement for public hearing at the April 25<sup>th</sup> County Board meeting. Major features of this version of the ordinance include regular, biennial processes for consideration of rates of fare and certificate increases. A new annual fee is also proposed, per taxicab authorized, to help fund improved data collection and

County Manager: \_\_\_\_\_

County Attorney: \_\_\_\_\_

Staff: Kelly Cornell, DES/DOT  
Matthew Owens, Police Department, Taxicab Inspector  
Mark Kellogg, DES/DOT

analyses needed to provide a solid statistical basis for these processes. Since the March County Board meeting, the advertised version of the ordinance has been changed. The revised version (Attachment 2) includes refinements to the information required and factors considered for certificates of public convenience and necessity, higher fuel-efficiency requirements, and improved public notification.

**BACKGROUND:** Arlington's Taxicab Ordinance (Chapter 25 of the County Code) was developed several decades ago. Since then, there have been periodic changes to certain individual sections of the ordinance, every few years to increase rates of fare, and to address specific issues such as service to people in wheelchairs. In 2005, because of long-standing concerns with some of the processes specified in the existing ordinance, work was initiated to develop a new ordinance. The consultant study and community process that led to a draft ordinance that was considered by the County Board at its March 14, 2009, meeting (recessed session of March 17<sup>th</sup>) are described in the report to the County Board dated March 13, 2009, which (without its attachments) is Attachment 3 to this report.

At that County Board meeting on March 17<sup>th</sup>, there were comments from the Transportation Commission, the taxicab industry and citizens about the concepts and language of the draft ordinance. The County Board voted to authorize advertisement of a proposed new ordinance (Attachment 1) for a public hearing at the April 25, 2009, meeting. Board members provided guidance on the issues and potential changes to the advertised ordinance that they wanted considered.

**DISCUSSION:** Since the meeting on March 17<sup>th</sup>, staff have reviewed and considered the guidance provided by Board members, testimony at that meeting, further comments from the industry and the Transportation Commission's action at its meeting on April 16, 2009. Comments about and proposed changes to the advertised ordinance (Attachment 1) have focused primarily on five subjects: a) public notice and participation, b) fuel-efficiency standards, c) the appropriate level of current rates of fare, d) greater restrictions on smoking and drivers' use of cellular phones and text-messaging in taxicabs, and e) the determination of the number and allocation of taxicabs. Each of these five is discussed below. Except for some comments about wording, with few exceptions, the comments resulted in some change to the ordinance language of Attachment 2. The substantive changes that are shown in Attachment 2 are summarized as follows:

- Subsection (b)(3) of Section 25.1-3 (Certificate of Public Convenience and Necessity) is revised so that existing certificate-holders must provide information about violations of criminal or traffic law, and about the proposed taxicab service, as new applicants are required to provide.
- Section 25.1-4 (Determination of number of Taxicabs, Issuance of Certificates) is revised in several ways as described in the section later in this report entitled "Determination of the Number and Allocation of Taxicabs."
- Subsection (f)(ii) of Section 25.1-9 (Public Vehicle Driver's Licenses) is revised so that reckless driving is among a list of violations for which an applicant may be refused a public vehicle driver's license.

- Subsection (a) of Section 25.1-13 (Rate Display Cards) is revised to specify that such cards include the phone number of a person who can address inquiries about taxicab regulation.
- Section 25.1-17 (Operation of Taxicabs) is revised to extend the situations under which drivers may refuse to carry a passenger, to include risk to drivers' property, beyond risks to life and to safety. Also, the prohibitions against smoking and driver's use of cellular phones and text-messaging devices are discussed later in this report in the section entitled "Smoking, Cellular-Phone and Text-Messaging Restrictions."
- Section 25.1-19 (Vehicles and contents) is revised to make the fuel-efficiency standards more stringent and, in lieu of meeting the standards at all times, requiring that they be met twice each year. The revision also defines the remedy should the standards not be met, as discussed later in this report in the section entitled "Fuel-Efficiency Standards." Also, the requirement for two marker lights adjacent to cruising lights is revised to specify one marker light.
- Section 25.1-24 (Notification in Taxicabs of proposed amendments to this chapter) is added, as discussed later in this report in the section entitled "Public Notice and Participation."

In response to the comment that current rates of fare, as specified in Section 25.1-12, might be lowered now that gasoline prices are lower than they were at the time of the last rate increase, no revision is proposed to the advertised version of the ordinance. This is discussed later in this report in the section entitled "The Appropriate Level of Current Rates of Fare." Also, no revision to the advertised version of the ordinance has been developed for the specification for upholstery in Section 25.1-19(d). Representatives of the industry have raised concerns about the expense of retrofitting new hybrids with synthetic or non-absorbent upholstery. Staff considers such upholstery to be needed so that passengers will be comfortable riding in these seats long after the cars are first put into service. Seats covered by non-synthetic or absorbent upholstery are less likely to remain clean and sanitary, after conveyance of many passengers.

### **Public Notice and Participation**

In a letter dated March 11, 2009, the Transportation Commission recommended that taxicabs display a public notice of changes in taxicab fares. Also, citizen testimony on March 17<sup>th</sup> included the request for posting of notices in taxicabs of hearings related to rates and service. This recommendation and request were reinforced during the County Board's discussion, when there was also a request for having a phone number posted in taxicabs, for customer complaints.

Although not specified by the existing ordinance, the phone number of the Taxicab Inspector is already included on the rate card that is in all taxicabs. This provides customers with a number to call when they have inquiries or complaints.

A new section 25.1-24 has been added to the proposed new ordinance (Attachment 2). The new section would require that, when the County Manager specifies doing so, the certificate-holders must cause to be posted in every taxicab a County-supplied notice of any public hearing on a proposed ordinance amendment, including any change in rates. This process is included in the revised version of the new ordinance (Attachment 2).

## Fuel-Efficiency Standards

Arlington is committed to protecting the health of its citizens and the environment by reducing green-house gas emissions throughout the County. As Arlington works to enact a new taxicab ordinance, the County has been presented with the unique opportunity to cut emissions by introducing new fuel-efficiency standards for Arlington's taxicab industry. By adopting fuel-efficiency standards for taxicabs, Arlington County will join cities like San Francisco, Seattle, and New York City at the forefront of the effort to increase fuel-efficiency and thus reduce the negative environmental impacts of taxicabs. In order to take full advantage of this opportunity, it is proposed that the fuel-efficiency standards contained in the advertised version of the ordinance (Attachment 1) be increased.

Accordingly, in the revised ordinance (Attachment 2) the initial fuel-efficiency standard, for the 12-month period between July 1, 2010 and June 30, 2011, is proposed to be 26 mpg, which is two and one half (2.5) mpg higher than was proposed in the advertised version of the new ordinance. Additionally, the standard for 2020 (specifically, the 12-month period beginning July 1, 2020) and each 12-month period thereafter is proposed to be 35 mpg, which is five (5) mpg higher than was proposed in the advertised version.

An initial fuel-efficiency standard of 26 mpg could be achieved by each certificate-holder by introducing a 50/50 mix of the most-common hybrid taxicab (a Camry rated at 34 mpg) with the most-common non-hybrid taxicab (a Crown Victoria rated at 19 mpg). To reach the fuel-efficiency standard of 35 mpg for 2020, new or replacement vehicles, on average, added to every certificate-holder's fleet would need to have a fuel-efficiency rating that exceeds that of today's Toyota Camry hybrid vehicle.

The new fuel-efficiency standards within the revised proposed ordinance (Attachment 2) are more aggressive than the standards originally proposed by the taxicab industry. However, it is believed that the new standards are achievable. Even without fuel-efficiency standards prescribed by the County, the taxicab industry has made considerable progress in making the taxicab fleet more fuel-efficient. (See Table 1.) Not only is EnviroCab achieving good fuel efficiency with its all-hybrid fleet, but also several other certificate-holders are improving fuel efficiency, by bringing hybrids into their fleets in higher quantity than they had committed to when they were authorized more taxicabs. (See Table 2 on next page.) It should be noted, however, that these higher standards would be more challenging for some companies (likely the smaller ones) than for other companies, such as EnviroCab which is currently meeting the standard for 2020.

Table 1: Current Company Average Fuel Efficiency (Excludes Wheelchair-Accessible Vehicles)

**Blue Top Cab** = 18.90 mpg  
**Crown Cab** = 24.38 mpg  
**EnviroCab** = 35.36 mpg  
**Friendly Cab** = 20.00 mpg  
**Hess Cab** = 18.77 mpg  
**Red Top Cab** = 19.60 mpg

*Yellow Cab* = 25.19 mpg  
**Overall Industry in Arlington County** = 22.14 mpg

Table 2: Hybrid Cabs by Company (Number, % of Fleet Excluding Wheelchair-Accessible Vehicles)

*Blue Top Cab* = 13; 7.8%  
*Crown Cab* = 14; 37.8%  
*EnviroCab* = 50; 100%  
*Friendly Cab* = 2; 8.3%  
*Hess Cab* = 2; 5.7%  
*Red Top Cab* = 38; 11.6%  
*Yellow Cab* = 46; 46%  
**Overall Industry in Arlington County** = 164; 22.8%

Another change to the advertised version of the ordinance is the elimination of the requirement that certificate-holders bring vehicles into service such that they meet that 12-month period's average fuel-efficiency standard at all times. Instead, after eight months, calculated for all vehicles that were brought into service before March 1<sup>st</sup>, each certificate-holder would be required to meet the standard. If any certificate-holder did not meet the standard, upon receiving a notice from the County, every vehicle brought into service thereafter by that certificate-holder must meet that standard, until the average for that certificate-holder increased sufficiently to meet the standard. The same calculation, with the same notice and remedy if below standard, is proposed at the end of each 12-month period. As long as the certificate-holder meets the standard at two points in time (March 1 and June 30) the certificate-holder has flexibility to retire old and introduce new vehicles at whatever pace and fuel efficiency that the certificate-holder prefers.

### **The Appropriate Level of Current Rates of Fare**

In June of 2008, the Arlington County Board enacted an emergency ordinance permitting a \$1.00 gasoline surcharge for taxi trips to compensate drivers for the rapidly increasing cost of gasoline. In July of 2008, the County Board enacted an ordinance replacing the \$1.00 emergency gasoline surcharge with a permanent mileage-rate increase of \$0.20 per mile. Accordingly, the mileage charge was changed from \$0.30 for each 1/6 mile to \$0.40 for each 1/5 mile which resulted in the current \$2.00-per-mile rate. Prior to July, 2008, the last increase to the mileage rate occurred in October of 2005 when the mileage charge was increased from \$1.60 per mile to \$1.80 per mile.

Since increasing the mileage rate by \$0.20 per mile in July, 2008, the cost of gasoline has continued to fluctuate. Because of these changes in the price of gasoline, it has been suggested that the County consider lowering its taxicab mileage rates. In an effort to determine if such a decrease is warranted, County staff has considered many factors including how the rate per mile in Arlington compares with the rate per mile in neighboring jurisdictions. As shown in Table 3 on the next page, \$2.00 per mile is the current rate for Alexandria (more precisely, \$2.04) and Fairfax County, while the rate of \$1.50 per mile in Washington, D.C. is being considered for an increase.

Table 3: Current Taxi Rates/Fares

	Arlington County, VA	City of Alexandria, VA	Fairfax County, VA	Washington, DC
Dispatch Fee	none	none	none	\$2.00
Initial Drop Charge	\$2.75*	\$2.75**	\$3.25*	\$3.00**
Rate per Mile	\$2.00	\$2.04	\$2.00	\$1.50
Rate per Hour	\$22.50	\$22.67	\$21.18	\$15.00
Extra Passenger (min age)	\$1.00 (6)	\$1.25 (5)	\$1.00 (12)	\$1.50 (6)
Suitcase	\$0.50 per bag if > 2	\$1 - \$2 if > 2	\$0.50 per bag	\$0.50 per bag
Footlocker	\$2.00	n/a	\$2.00	\$2.00
Grocery Bag	none	\$1 - \$2 if > 2	\$0.25 - \$1 if > 2	none
Snow Emergency	none	\$5.00	none	25% of base
Gasoline Surcharge	none current	none current	none current	none current

\* includes 1/5 mile

\*\* includes 1/6 mile

In addition to comparing Arlington taxicab rates with taxicab rates in nearby jurisdictions, staff completed an in-depth analysis using a composite-cost index to determine appropriate changes in rates of fare. This method was recommended to Arlington County by Nelson\Nygaard and is similar to the process used by a number of jurisdictions including Fairfax County, Minneapolis, and San Francisco. This innovative solution to balancing the competing pressures for ordinance amendments concerning rates of fare involves indexing rate increases to official government statistics on inflation. As shown in Table 4 on the next page, the process reviews changes to rates of fare in respect to an index which is weighted to reflect general inflation as well as specific elements of inflation pertinent to the taxicab industry. This same methodology will be used for periodic rate considerations, in odd-numbered years, once a new ordinance is enacted.

Table 4: Factors Considered in Fare Review

Taxicab Cost Element	BLS Index	Weight
Salaries, Wages and Profits	CPI	0.62
Vehicle Purchase	New Cars (Hybrids)	0.15
Fuel	Motor Fuel	0.10
Insurance and Other	Other Private Transportation Services	0.08
Maintenance, Parts and Equipment	Private Transportation Maintenance and Repairs	0.05

Using Bureau of Labor Statistics (BLS) index data in the five categories above, and weighting each category based on overall importance, staff has calculated the relevant percent change in the cost of taxicab operation between October of 2005 and present (February 2009). To account for any seasonal fluctuation, staff also calculated the percent change in the cost of taxicab operation between January 2005 and January 2009. Additionally, to account for inaccurate data related to the purchase of new vehicles, staff calculated a more accurate number for the new-car category and substituted this number for the number report in the 2009 BLS Index. The adjustment made by staff to the number representing the 2009 new-car category is based on the 12% increase in the cost of purchasing a new vehicle (traditional) in 2005 versus purchasing a new vehicle (hybrid) in 2009. In conclusion, staff analysis of the BLS Index indicates that the current taxicab mileage charge should fall somewhere between \$1.90 and \$2.00 per mile. Because Arlington County's current mileage rate is consistent with the mileage rate charged in nearby jurisdictions and falls within the range indicated above, staff recommends that the mileage charge remain at \$2.00 per mile.

**Smoking, Cellular-Phone and Text-Messaging Restrictions**

Arlington's existing ordinance (Chapter 25 of the County Code) specifies that a driver is prohibited from having a lighted cigarette, cigar or pipe in his possession while a passenger is in the taxicab. This prohibition is continued in the advertised ordinance (Attachment 1) under Section 25.1-17(e).

In its letter on March 11, 2009, the Transportation Commission requested that expanded smoking prohibitions be explored. At its April 16<sup>th</sup> meeting, the Transportation Commission voted to recommend that a new ordinance not be advertised unless and until smoking prohibitions were expanded. Specifically, it has been suggested that the smoking restriction in the existing ordinance (Section 25-15(12)), be strengthened to focus on restrictions on smoking by passengers. Accordingly, subsection 25.1-17(e) of the proposed new ordinance prohibits the driver from having in his or her possession a lighted cigarette, cigar or pipe when the taxicab is occupied by a passenger, and prohibits the passenger from having in his or her possession a lighted cigarette, cigar or pipe.

It is intended that passengers be protected from unwanted, excessive noise under the existing ordinance. More importantly, drivers must pay full time and attention to operating the taxicab, especially when occupied by a passenger who may, for example, be giving directions to the driver. However, at times, drivers may need to communicate with a dispatcher or a law-

enforcement officer or obtain traffic information. Recognizing these exceptions, the advertised version of the ordinance prohibits use of a cell phone or text-messaging device when the taxicab is occupied by a passenger, and prohibits use of a sound system or radio if requested by a passenger. At the March County Board meeting, it was pointed out that the language may be ambiguous, such that drivers might use a cell phone or text-messaging device, unless a passenger requests that he or she not do so. At its April 16<sup>th</sup> meeting, the Transportation Commission wanted drivers to be prohibited from using cell phones and text-messaging devices whenever a passenger is in their taxicabs, whether or not the passenger requests that a driver refrain from using them. The language in Section 25.1-19(f) has been revised in Attachment 2 to provide the clarity that the Transportation Commission has recommended.

### **Determination of the Number and Allocation of Taxicabs**

More comments were received about certificates than about any other subject. A citizen testified on March 17<sup>th</sup> that the factors that the County Manager considers (as specified in Section 25.1-4(a)) in determining how many additional taxicabs should be authorized are too restrictive. The citizen recommended language so that other relevant factors may be considered. The Transportation Commission recommended that competition be separated out (from being part of Section 25.1-4(a)(2), to becoming Section 25.1-4(a)(3)) and adding the language: “including whether any one certificate-holder or related group of certificate-holders holds more than [30] [40] percent of total certificates.” Comments of some Board members included the desire to not keep potential entrants out of the taxicab business. With regard to specifying a number or percentage of taxicabs as any one certificate-holder’s share, both favorable and unfavorable comments were expressed. Also, the Transportation Commission recommended that the County Manager’s determination of the number of taxicabs (as specified in Section 25.1-4(d)) be broadened to include recommending a decrease in number of taxicabs, rather than no change or an increase. In the discussion at the Board meeting, the Transportation Commission Chairman indicated that should the overall business level decline substantially, similar to what happened after the 9/11 terrorist attack, this could help guide a fleet reduction. A citizen who testified on March 17<sup>th</sup> asked about an issue that was prominent in 2007: whether the ordinance was designed to address the shortage of taxicabs at closing time in late evening. He also referred to early-morning hours for airport trips as having insufficient taxicabs available.

Revised language has been included in the revised proposed ordinance (Attachment 2) in response to the citizen’s and the Transportation Commission’s comments about considering other relevant factors (see Section 25.1-4(a)(4)) and having competition, including how many taxicabs are authorized for current companies (as specified in Section 25.1-4(a)(3)). However, the language does not include any specific numbers, as requested by the Transportation Commission. While it is not the recommendation of staff, alternative language has been drafted in the event that the County Board would prefer to institute a specific limit on the number of taxicabs operated by a single company.

Features of the proposed ordinance in both Attachments 1 and 2 that should encourage new applicants include a) a longer time period for accepting applications (60 days instead of the 10 days specified in the existing ordinance) and b) removal of the burden on any applicant to demonstrate why the market demand for taxicab service, in relation to the current supply, is

sufficiently high that public convenience and necessity is enhanced by the applicant's proposal, unless that applicant alone is requesting authority to operate more additional taxicabs than the County Manager has determined are needed for the industry as a whole.

Other than if authorized taxicabs are unused for an extended period (as specified in Section 25.1-4(f)) or are revoked or suspended for cause (as specified in Section 25.1-8), there is no provision in either the existing or proposed ordinance to reduce the number of taxicabs authorized under any individual certificate or all certificates. The industry adjusted to the reduced business level after 9/11 without governmental direction, but staff will explore possibilities of a systematic methodology to accomplish fleet reductions. As with adding taxicabs (and even more so with decreasing the authorized number of taxicabs) there would need to be a systematic approach, after the staff considers a number of policy, substantive and procedural issues. These issues include, for example, the methods and criteria to increase or decrease the number of taxicabs; which companies would be affected; voluntary and involuntary relinquishment of previously-authorized number of taxicabs; prioritization of restoration to previously-authorized levels; and similar complicated issues.

Anecdotal evidence suggests that the industry has responded quite well to what was (in 2007) a taxicab shortage at late-evening, closing times. Nonetheless, with the cost of additional staffing that is proposed to be defrayed from higher fees for certificate-holders, staff can monitor the supply and demand at various days and times, and especially the critical times, and work with the industry to encourage more drivers to be in service then. Rate surcharges have been mentioned as a possible incentive for more drivers to work at peak times. However, rather than creating a more-complicated (and higher) rate structure at this point, the initial direction of the staff would be to pursue with the certificate-holders what more they could do to encourage more drivers at peak times.

As to the question of to which applicants how many taxicabs should be authorized, a citizen testified on March 17th that existing certificate-holders, as well as new applicants, should provide information on any criminal actions upon application for additional taxicabs (as specified in Section 25.1-3(b)(3)). That comment was echoed in the Board's discussion. The citizen also had questions and comments about the proposed point system that was Attachment B in the March Board report. The point system is not part of the proposed new ordinance and will be considered later. The Board discussion included a desire not to keep potential entrants out of the taxicab business, and not to have one company have the lion's share of all taxicab business. However, comments were expressed both in favor of and being anxious about quantifying such a share. The Transportation Commission recommended that competition (again, with a specified percentage of the overall fleet) and new and innovative services be added so that there would be 12 factors rather than 10 (as specified in Section 25.1-4(e)) that the County Manager would utilize to determine the allocation of additional taxicabs. That comment was echoed in the Board discussion. It was desired that the numerical listing not be interpreted as priority order. The Transportation Commission recommended that three of the factors (vehicle productivity, vehicle efficiency and fleet sustainability) be clarified.

In response to the above comments, the revised new ordinance (Attachment 2) includes language (as specified in Section 25.1-3(b)(3)) requiring new applicants and existing certificate-holders

who apply for additional authority to operate taxicabs, to submit information about any criminal actions. The factors for the County Manager to consider when allocating additional taxicabs (as specified in Section 25.1-4(e)) are prefaced by the clarification that the numbering is not indicative of priority. In addition, the factors about competition (not quantified) and innovative services are included in, rather than separate from, the factors that would be considered by the County Manager. Several factors, including those specified by the Transportation Commission, contain a brief description of evidence to be utilized to make judgments about the applicant's ratings on those factors. The measures are designed not only to assess the recent performance of existing certificate-holders, but also to enable new applicants to gain favor based on the services that the applicants commit to provide.

### **Transportation Commission Consideration**

At its meeting on April 16, 2009, the Transportation Commission considered the advertised new ordinance (Attachment 1), and some proposed changes to it that had been developed by then. The Commission voted unanimously to recommend that the County Board not authorize advertisement of a new ordinance, unless and until the smoking, cellular-phone and text-messaging restrictions are strengthened.

**FISCAL IMPACT:** The proposed fees are detailed in Table 5: Taxicab Fees on the next page, and address the issues of annual certificate fees, certificate-application fees, and license and inspection fees. The proposed annual certificate fee of \$150 per taxicab (in Section 25.1-5(b)) is estimated to produce \$115,000 beginning in FY2010. This fee, assessed on the basis of number of taxicabs authorized, would be used to fund the cost of a 1.0 FTE staff person, along with some contracting, for data collection and analysis for the ongoing efforts to conduct the anticipated certificate and rate processes. The additional 1.0 FTE would need to be authorized at the time that the County Board approves the additional fees.

Increases in fee revenue discussed in this Board report are not included in the FY2010 Budget. If the County Board approves additional fees, estimated expenses and revenues would be appropriated at that time.

Certificate-application fees will not be collected until the next opportunity to apply, in FY2011, and then will follow a biennial process. Fee revenue from the biennial certificate-application fee is projected to be up to \$25,000. The license fees proposed in Section 25.1-9(i) and inspection fee in Section 25.1-21(b) are estimated to produce about \$90,000 annually, roughly twice the amount raised at the fee levels in the current ordinance. This revenue would reduce the net tax support for the Hack Inspector and other staff who participate in the taxi-regulation process.

**Table 5: Taxicab Fees**

	Current Fees	Proposed Fees
<b>Certificate Fees:</b> <sup>1</sup>		
Annual Fee	none	\$150/vehicle
Application Fee	\$25	\$100/additional vehicle <sup>4</sup>
<b>Driver License Fees:</b> <sup>2</sup>		
Initial Year	\$30.00	\$65.00
Renewal (per year)	\$20.00	\$40.00
Retest	\$15.00	\$30.00
Replacement	\$10.00	\$20.00
<b>Vehicle Inspection Fees:</b> <sup>3</sup>		
Each Inspection	\$10.00	\$20.00

<sup>1</sup> Paid by existing and prospective companies

<sup>2</sup> Paid by drivers

<sup>3</sup> Paid by vehicle owner

<sup>4</sup> Minimum of \$500 for new companies

### Calculating the Appropriate Level of Current Rates of Fare

In June of 2008, the Arlington County Board enacted an emergency ordinance permitting a \$1.00 gasoline surcharge for taxi trips to compensate drivers for the rapidly increasing cost of gasoline. In July of 2008, the County Board enacted an ordinance replacing the \$1.00 emergency gasoline surcharge with a permanent mileage-rate increase of \$0.20 per mile. Accordingly, the mileage charge was changed from \$0.30 for each 1/6 mile to \$0.40 for each 1/5 mile which resulted in the current \$2.00-per-mile rate. Prior to July, 2008, the last increase to the mileage rate occurred in October of 2005 when the mileage charge was increased from \$1.60 per mile to \$1.80 per mile.

Since increasing the mileage rate in July, 2008, the cost of gasoline has continued to fluctuate, first decreasing substantially then increasing a moderate amount. Because of these changes in the price of gasoline, it has been suggested that the County consider lowering its taxicab mileage rates. In an effort to determine if such a decrease is warranted, County staff has considered many factors including how the rate per mile in Arlington compares with the rate per mile in neighboring jurisdictions. As shown in Table 1, \$2.00 per mile is the current rate for Alexandria (more precisely, \$2.04) and Fairfax County, while the rate of \$1.50 per mile in Washington, D.C. is currently being considered for an increase. Other aspects of the taxi fare, including the initial drop charge and extra passenger fee are generally higher in neighboring jurisdictions.

Table 1: Current Taxi Rates/Fares

	Arlington County, VA	City of Alexandria, VA	Fairfax County, VA	Washington, DC
Dispatch Fee	none	none	none	\$2.00
Initial Drop Charge	\$2.75*	\$2.75**	\$3.25*	\$3.00**
Rate per Mile	\$2.00	\$2.04	\$2.00	\$1.50
Rate per Hour	\$22.50	\$22.67	\$21.18	\$15.00
Extra Passenger (min age)	\$1.00 (6)	\$1.25 (5)	\$1.00 (12)	\$1.50 (6)
Suitcase	\$0.50 per bag if > 2	\$1 - \$2 if > 2	\$0.50 per bag	\$0.50 per bag
Footlocker	\$2.00	n/a	\$2.00	\$2.00
Grocery Bag	none	\$1 - \$2 if > 2	\$0.25 - \$1 if > 2	none

Snow Emergency	none	\$5.00	none	25% of base
Gasoline Surcharge	none current	none current	none current	none current

\* includes 1/5 mile

\*\* includes 1/6 mile

In addition to comparing Arlington taxicab rates with taxicab rates in nearby jurisdictions, staff completed an in-depth analysis using a composite-cost index to determine appropriate changes in rates of fare. This method was recommended to Arlington County by Nelson\Nygaard and is similar to the process used by a number of jurisdictions including Fairfax County, Minneapolis, and San Francisco. This innovative solution to balancing the competing pressures for ordinance amendments concerning rates of fare involves indexing rate increases to official government statistics on inflation. As shown in Table 2, the process reviews changes to rates of fare in respect to an index which is weighted to reflect general inflation as well as specific elements of inflation pertinent to the taxicab industry. This same methodology will be used for periodic rate considerations, in odd-numbered years, once a new ordinance is enacted.

Table 2: Factors Considered in Fare Review

Taxicab Cost Element	BLS Index	Weight
Salaries, Wages and Profits	CPI	0.62
Vehicle Purchase	New Cars (Hybrids)	0.15
Fuel	Motor Fuel	0.10
Insurance and Other	Other Private Transportation Services	0.08
Maintenance, Parts and Equipment	Private Transportation Maintenance and Repairs	0.05

Using Bureau of Labor Statistics (BLS) index data in the five categories above, and weighting each category based on overall importance, staff has calculated the relevant percent change in the cost of taxicab operation between October of 2005 and February 2009 (Table 3).

Table 3: Percent Change in Cost of Taxicab Operation between October 2005 and February 2009

	Weight	Oct-05	Feb-09	Increase/Decrease	Change*Weight	
CPI	0.62	199.2	212.193	1.065226	0.66044	
New Cars	0.14	137.1	134.186	0.978745	0.137024	
Motor Fuel	0.11	237.1	167.395	0.70601	0.077661	
Other	0.08	113	134.108	1.186796	0.094944	
Private	0.05	209.8	241.689	1.151997	0.0576	
					1.027669	x \$1.80 = \$1.85

To account for any seasonal fluctuation, staff also calculated the percent change in the cost of taxicab operation between January 2005 and January 2009 (Table 4).

Table 4: Percent Change in Cost of Taxicab Operation between January 2005 and January 2009

	Weight	Jan-05	Jan-09	Increase/Decrease	Change*Weight	
CPI	0.62	190.3	211.143	1.109527	0.687907	
New Cars	0.14	139.8	133.273	0.953312	0.133464	
Motor Fuel	0.11	161.2	156.604	0.971489	0.106864	
Other	0.08	109.9	133.414	1.213958	0.097117	
Private	0.05	203.3	241.076	1.185814	0.059291	
					1.084642	x \$1.80 = \$1.95

Additionally, to account for misleading data related to the purchase of new vehicles, staff calculated a more accurate number for the new-car category and substituted this number for the number reported in the 2009 BLS Index (Table 5 and Table 6). Generally, new vehicles are currently selling at a lower cost than four years ago due to distress in the automobile industry. However, the type of taxicabs being purchased today (new hybrid vehicles) are more expensive than the large sedans which were the industry standard in 2005. In fact, staff determined that the price of a new hybrid vehicle in 2009 is 12.5% higher than the cost of a new large sedan in 2005. Accordingly, the new-car category for February 2009 and January 2009 were adjusted in the tables below to take this fact into account.

Table 5: Adjusted Percent Change in Cost of Taxicab Operation between October 2005 and February 2009

	Weight	Oct-05	Feb-09	Increase/Decrease	Change*Weight	
CPI	0.62	199.2	212.193	1.065226	0.66044	
New Cars	0.14	137.1	154.238	1.125004	0.157501	
Motor Fuel	0.11	237.1	167.395	0.70601	0.077661	
Other	0.08	113	134.108	1.186796	0.094944	
Private	0.05	209.8	241.689	1.151997	0.0576	
					1.048145	x \$1.80 = \$1.89

Table 6: Adjusted Percent Change in Cost of Taxicab Operation between January 2005 and January 2009 (calculated to account for seasonal fluctuation)

	Weight	Jan-05	Jan-09	Increase/Decrease	Change*Weight	
CPI	0.62	190.3	211.143	1.109527	0.687907	
New Cars	0.14	139.8	150.748	1.078312	0.150964	
Motor Fuel	0.11	161.2	156.604	0.971489	0.106864	
Other	0.08	109.9	133.414	1.213958	0.097117	
Private	0.05	203.3	241.076	1.185814	0.059291	
					1.102142	x \$1.80 = \$1.98

The adjustment made by staff to the number representing the 2009 new-car category is based on the 12.5% increase in the cost of purchasing a new vehicle (traditional) in 2005 versus purchasing a new vehicle (hybrid) in 2009. In conclusion, staff analysis of the BLS Index indicates that the current taxicab mileage charge should fall somewhere between approximately \$1.90 and \$2.00 per mile. Because Arlington County's current mileage rate is consistent with the mileage rate charged in nearby jurisdictions and falls within the range indicated above, staff recommends that the mileage charge remain at \$2.00 per mile.