

Houston, Texas Taxi Study Briefing

Objective : Recommendations
And Review Findings

April 9, 2014
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Issues Identified

- Most issues identified relate to airport & stand taxi services provided by companies and drivers that do not have access to dispatch, i.e. small operators
- Most users of taxi stand market – i.e. Hotels, restaurants, medical facilities, airport customers – rated quality of taxi vehicles and drivers **low** compared to other cities; 2.54 out of 5 rating
- Secret shoppers found drivers to be unfamiliar with streets; drivers smoked in cabs; drivers talked on cell phones
- Hundreds of vehicle color schemes confusing to users; proliferation of DBAs as a result of taxi leases
- One-car operators do not serve the whole Houston area
- Lack of dispatch means some riders don't get picked up; Lack of dispatch means too many cabs at the stands and the airports
- Permit lease prices vary, from \$120 per week to \$500 per week (Note: permittees pay the City only \$535 per year for a permit!) – many permit leases for non-dispatch companies have **no added value**

Study Recommendations

1. Value-Added Permits: Require all taxi permit holders to be able to generate a minimum # of trips per day, per vehicle, to create value-added leases that maximize revenues for drivers and permittees. For example, Dr. Mundy found that Yellow Cab lessees receive 6 to 7 dispatch trips per day and can earn a weekly income of \$900 or more with owner/operators of cabs paying between \$225 and \$295 per week. **Bottom line:** Over the long run, Dr. Mundy recommends that Houston require that all leases be allowed only for value-added permits (either through dispatch or pre-arranged business)
 - a. Require all Houston taxi drivers to be able to be dispatched from taxi dispatch companies.
 - b. Require that all vehicles be painted in colors, and branded, according to those dispatch companies to minimize the proliferation of taxicab colors.
2. Implement a form of distance-based bar coding or electronic monitoring for use on all regulated vehicles so inspectors know when a vehicle and driver are illegal.

Study Recommendations (continued)

3. Increase standards for obtaining a Houston taxi driver's chauffeur license and create a formal training program paid for by drivers. Drivers should be trained in customer service, geography, etiquette, etc. Consider a driver dress code.
4. Require that all taxi dispatch companies implement mobile dispatch applications.
5. Require that all taxi mobile dispatch applications contain a customer complaint functionality that transmits the complaint directly to ARA.
6. Set a maximum number of complaints that can be received against a taxi driver before the driver's license is revoked.
7. Require security cameras in all taxicabs.
8. Require integrated GPS/credit card processing equipment in all taxicabs.
9. The Study DID NOT recommend the elimination of the minimum limousine fare.

Project Process Overview

Task I

Initial meetings with officials & staff

Task II

Analysis of existing Houston Taxi operating Procedures & Stakeholder Interviews

Task III

Analysis/Comparison of Houston's Taxi Regulations/Rules/Practices with other cities

Task IV

Taxi Service Survey of Frequent Users & Secret Shopper Survey

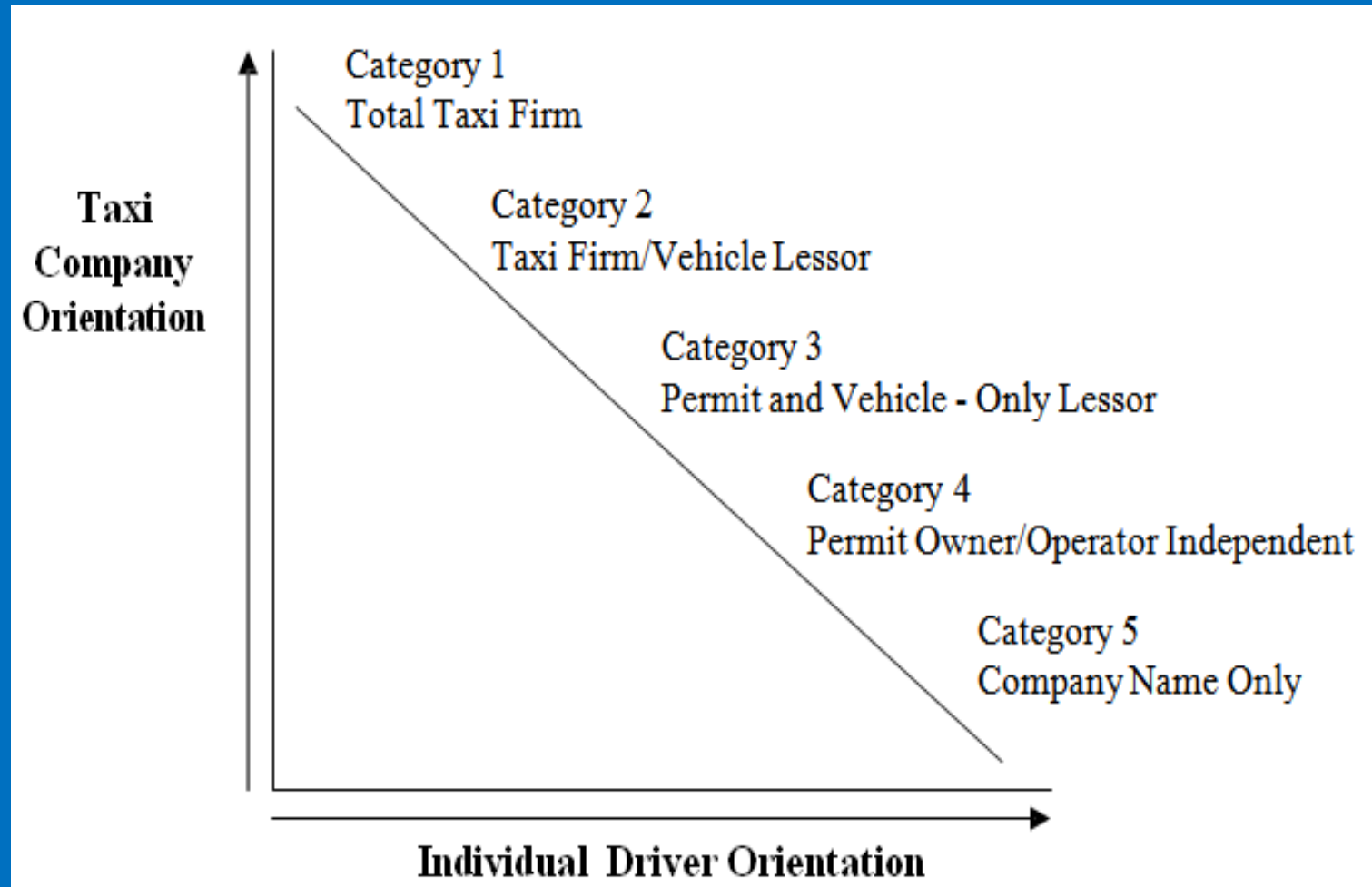
Task V

Analysis of Houston Taxi Dispatch Data

Task VI

Drafting of Recommendations

Continuum of Houston Taxicab Firms



Houston Yellow/Fiesta/United Cab



Houston Yellow Cab



YOU are a METRO LIFT Ambassador

As a METROLift Ambassador, you represent the best of the best. Your professionalism is the key to ensuring a safe and relaxing ride, and your actions help set the stage for a positive riding experience.

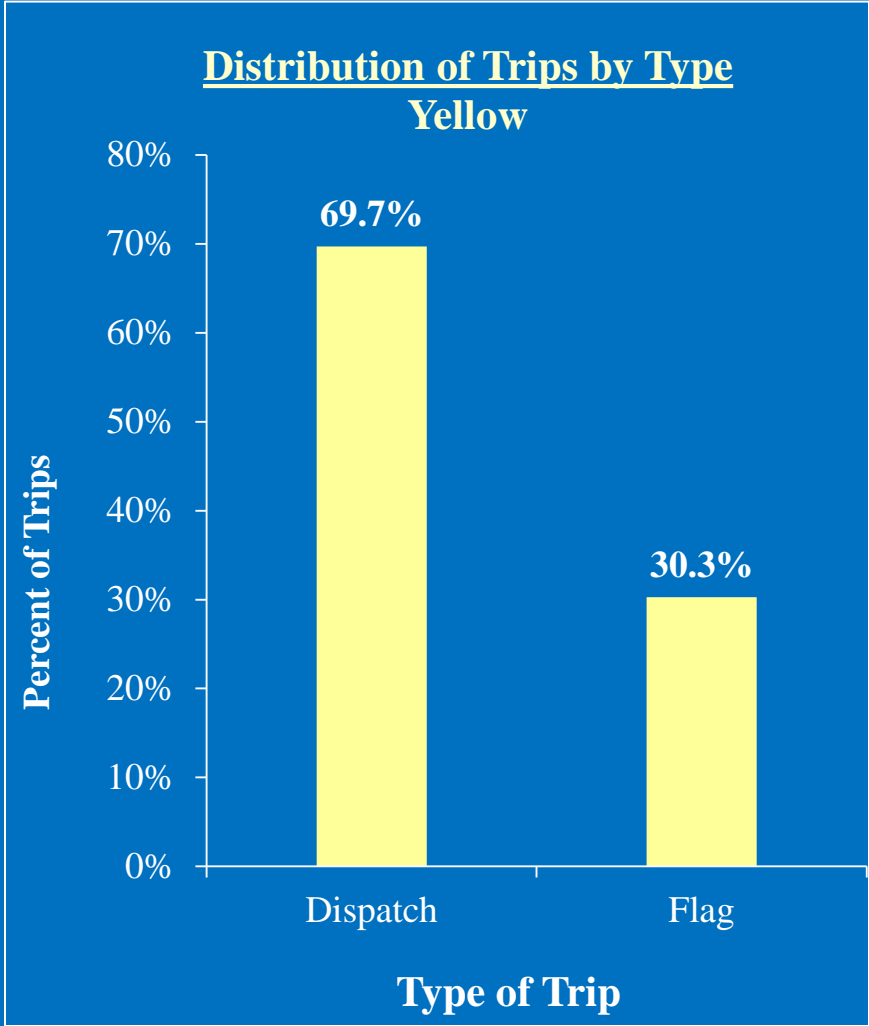
Please keep in mind the most frequent complaints related to driver behavior:

- Abusing Passenger (Verbal/Physical)
- Acting in a Discourteous or Rude Manner
- Smoking/Eating/Drinking/Playing Music
- Failing to Fasten Passenger Seat Belt
- Operating Lift Improperly
- Not Fastening Tie-Down Securely
- Making Unscheduled Stop/Layover
- Passing Up Rider
- Driver Getting Lost

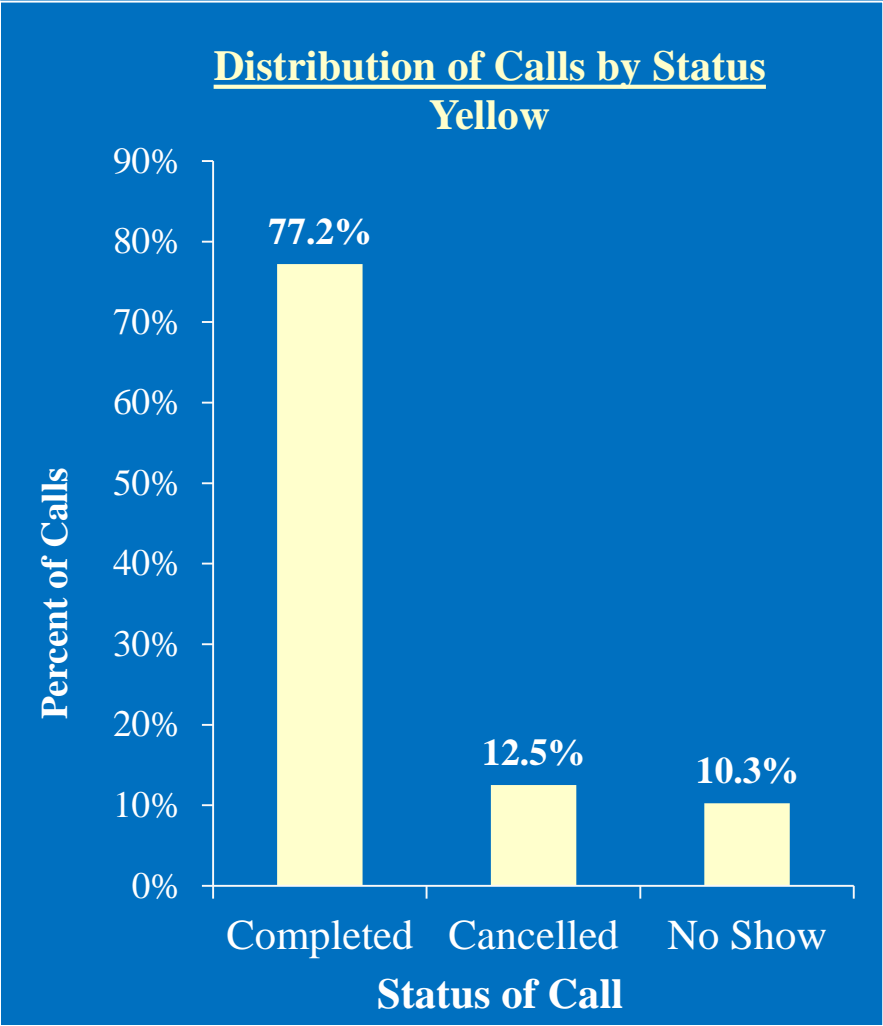
Driver Behavior Complaints	
January 2012	26
February 2012	13
March 2012	10
Total Complaints	49
January 2012	296
February 2012	223
March 2012	240
Total Commutations	759
January 2012	285
February 2012	267
March 2012	276

KEEP UP THE GREAT WORK!



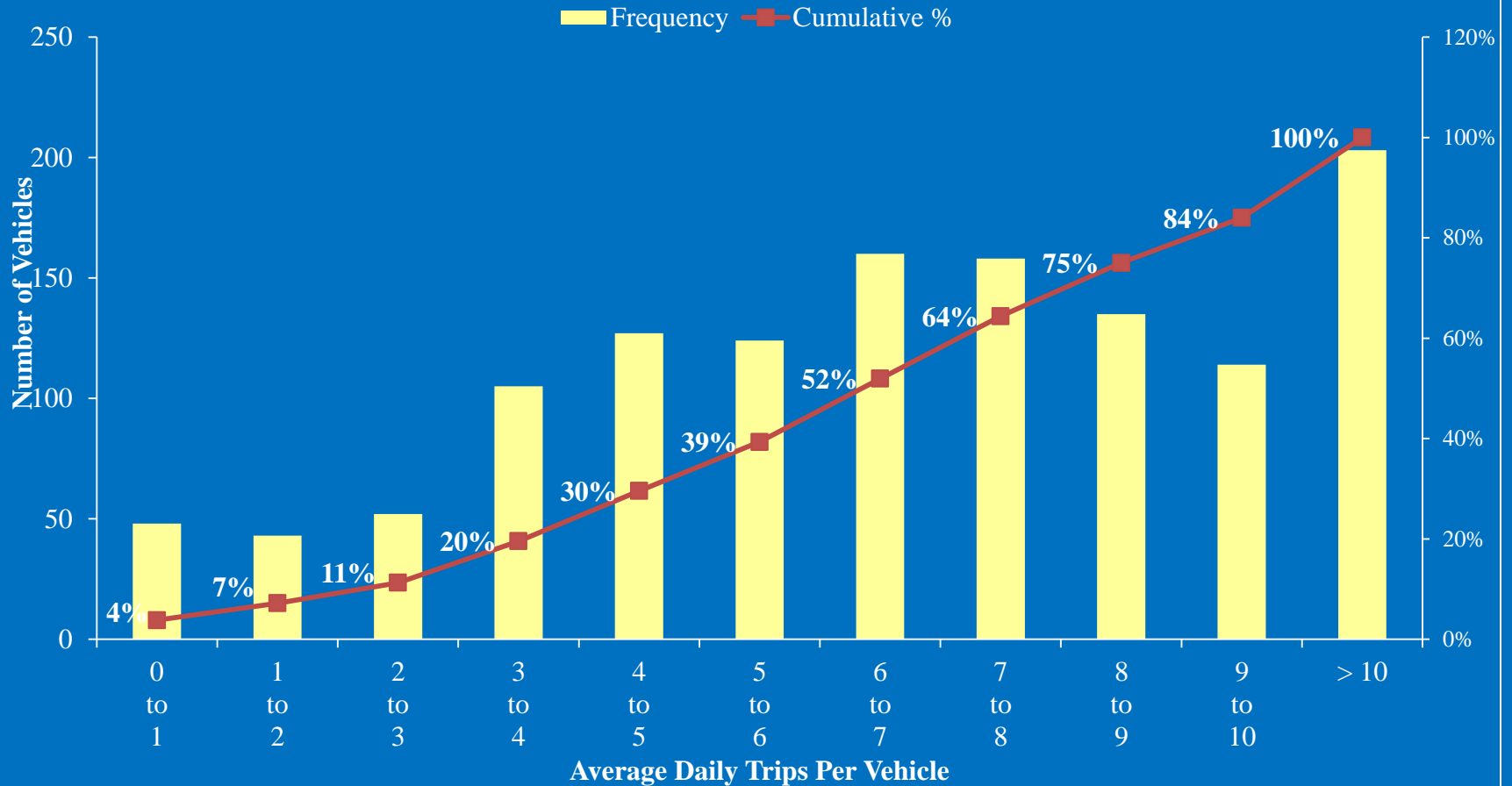


A. This chart shows that most trips are Dispatch trips.



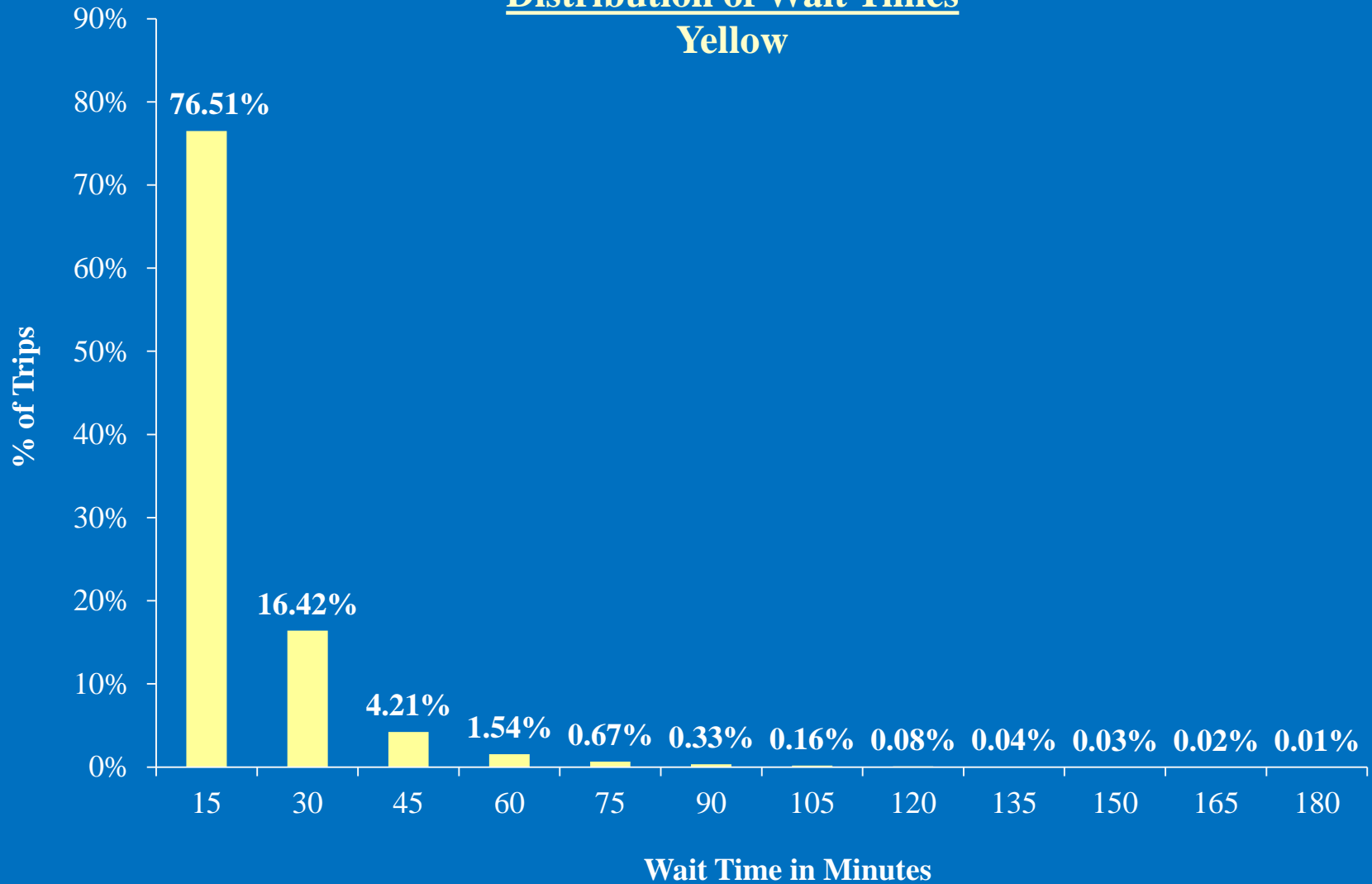
B. This chart shows that nearly 80% of dispatch calls result in a completed trip.

Distribution of Average Daily Completed Dispatch Trips Yellow



Distribution of Wait Times

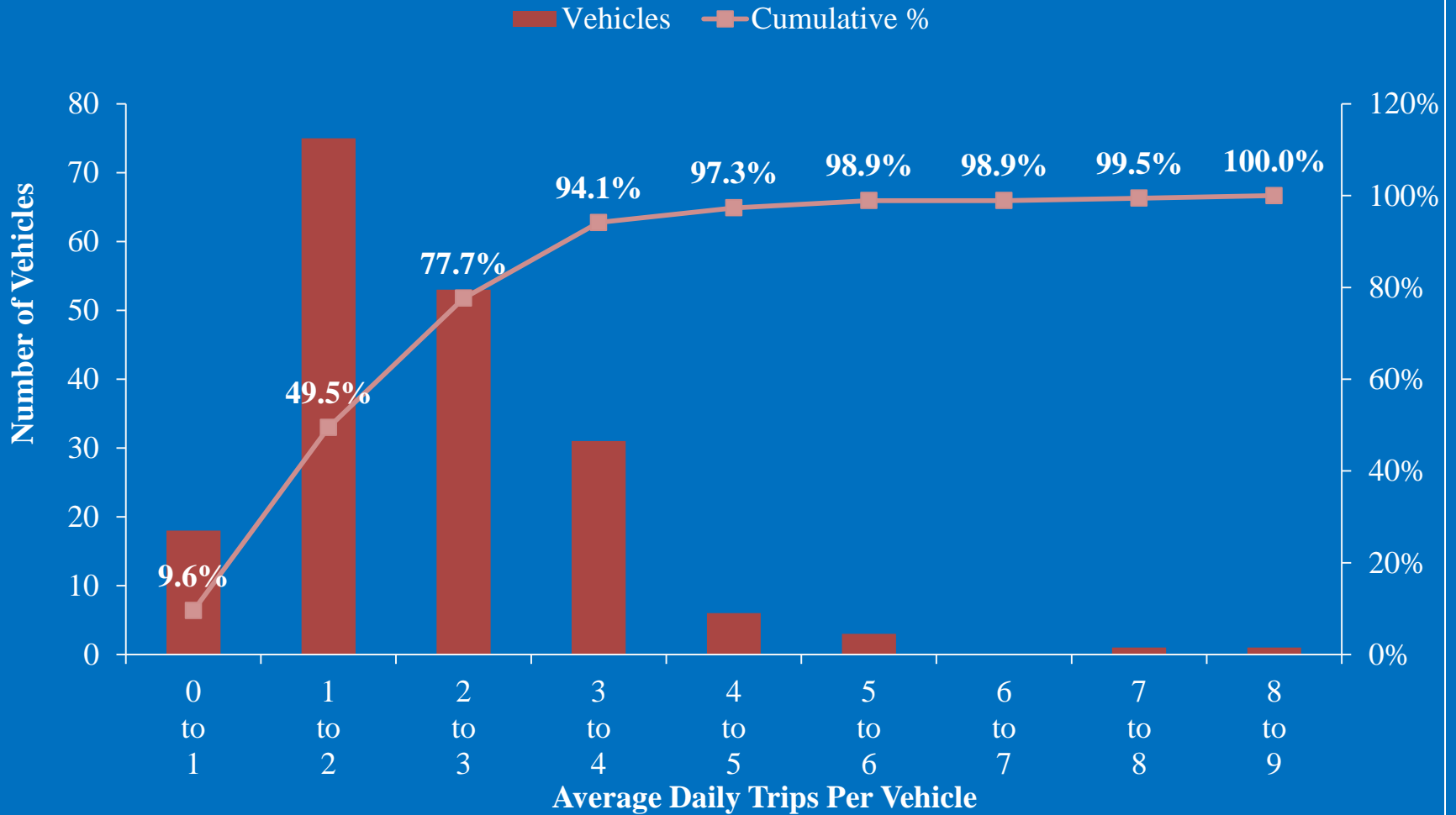
Yellow



Houston Transportation Services



HTS Distribution of Average Daily Completed Dispatch Trips*

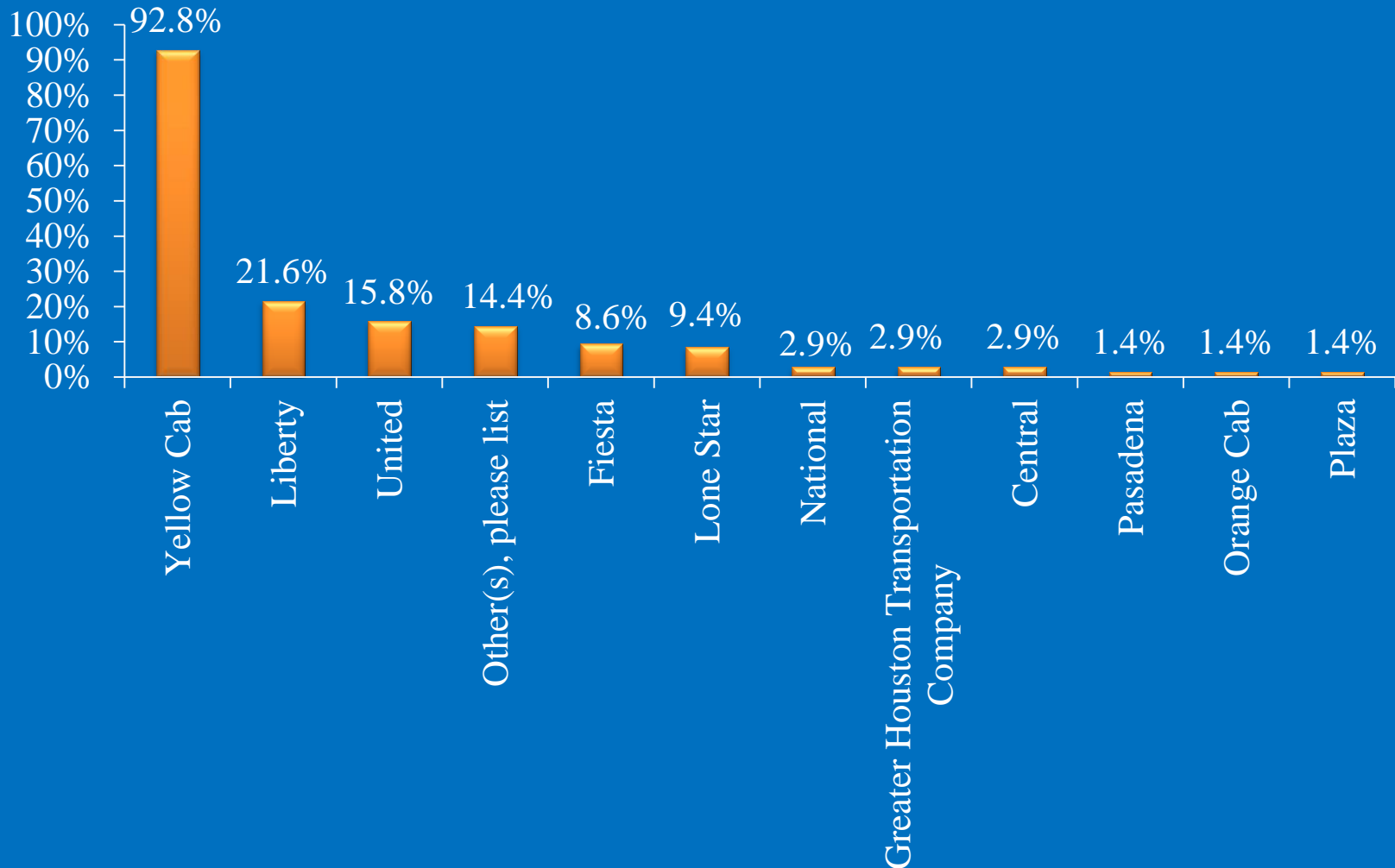


* Only includes those vehicles that actually picked up a trip.

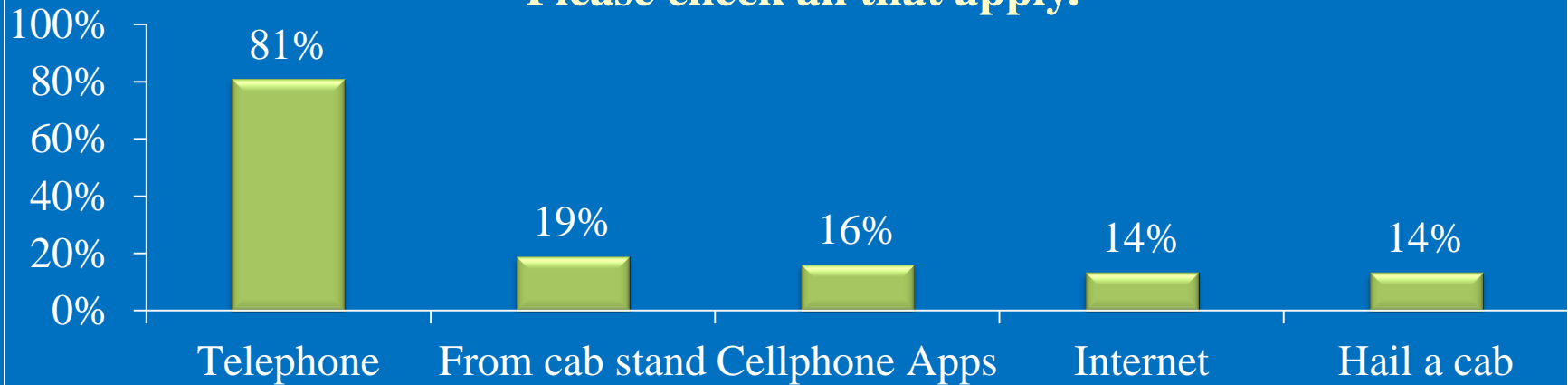
Institutional Survey

- Total 142 respondents
- Surveyed three groups:
 1. Restaurants/Bars/Diners
 2. Hotels
 3. Medically Related Facilities

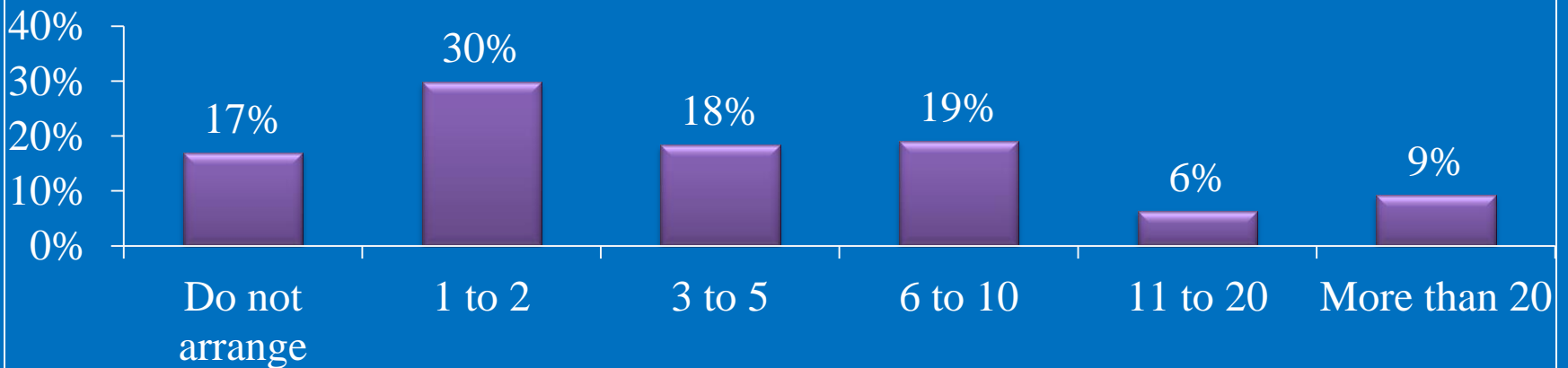
Which of the following taxicab companies do you regularly call for service? Please check all that apply.



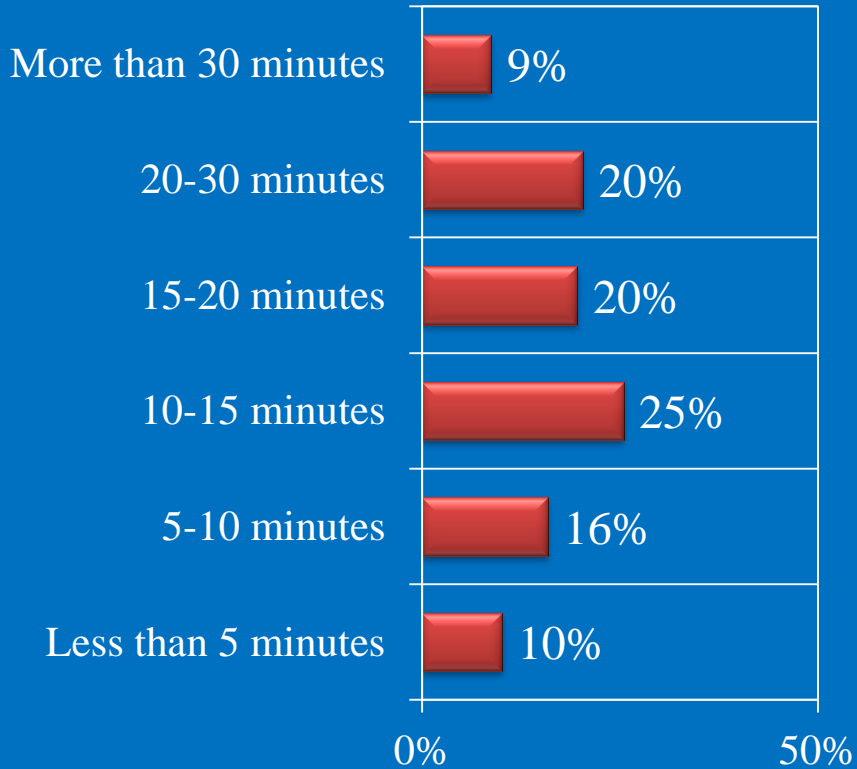
How do you arrange the taxicab services? Please check all that apply.



How many times in a day do you typically arrange for taxis on behalf of your guests?

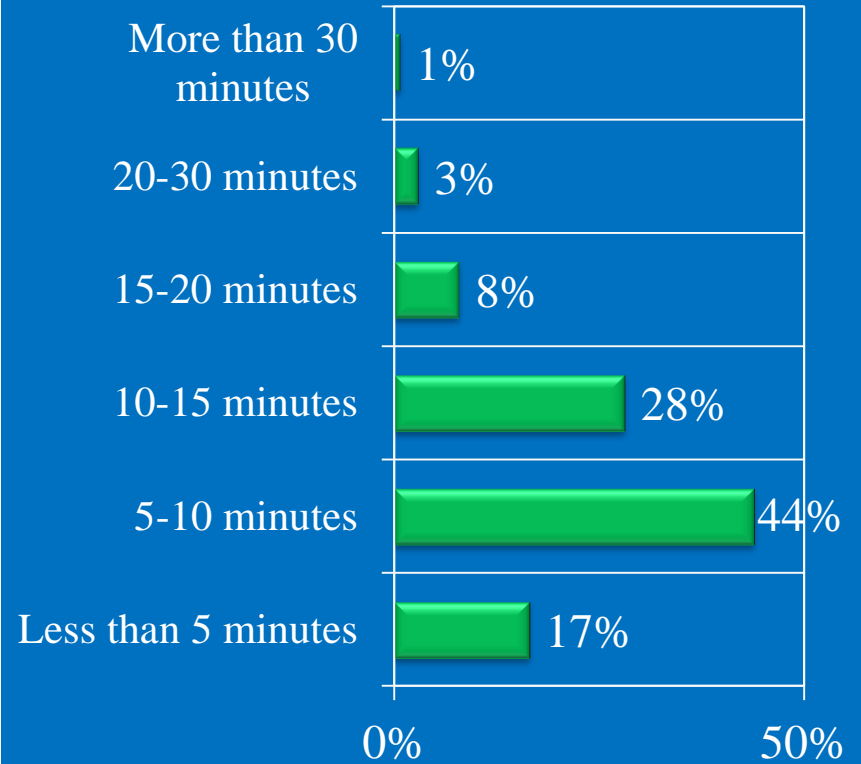


What is the AVERAGE wait time for a taxi to arrive at your establishment after being called?



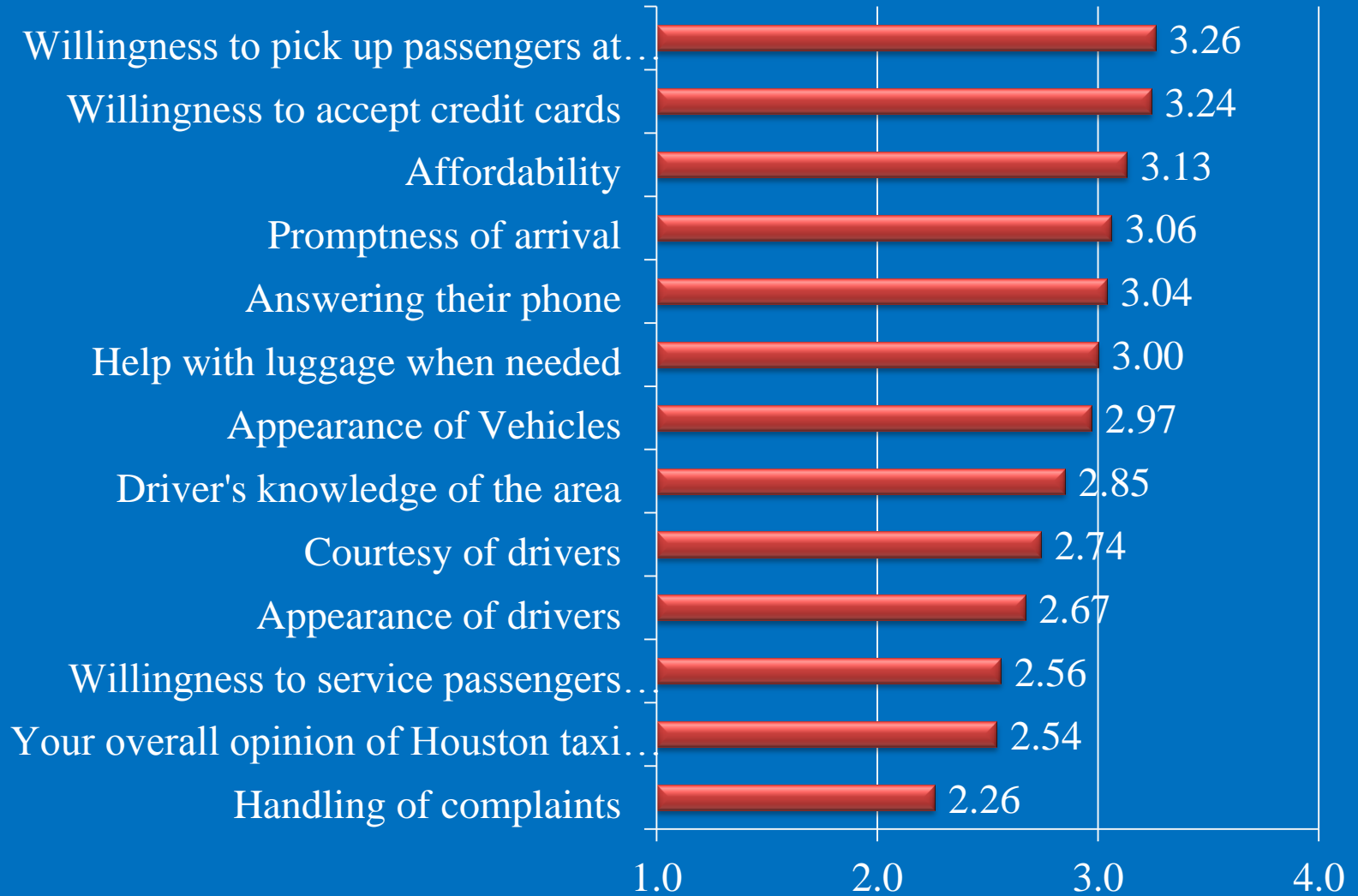
Total Respondents: 138

What is a REASONABLE wait time for a taxi to arrive at your establishment after being called?



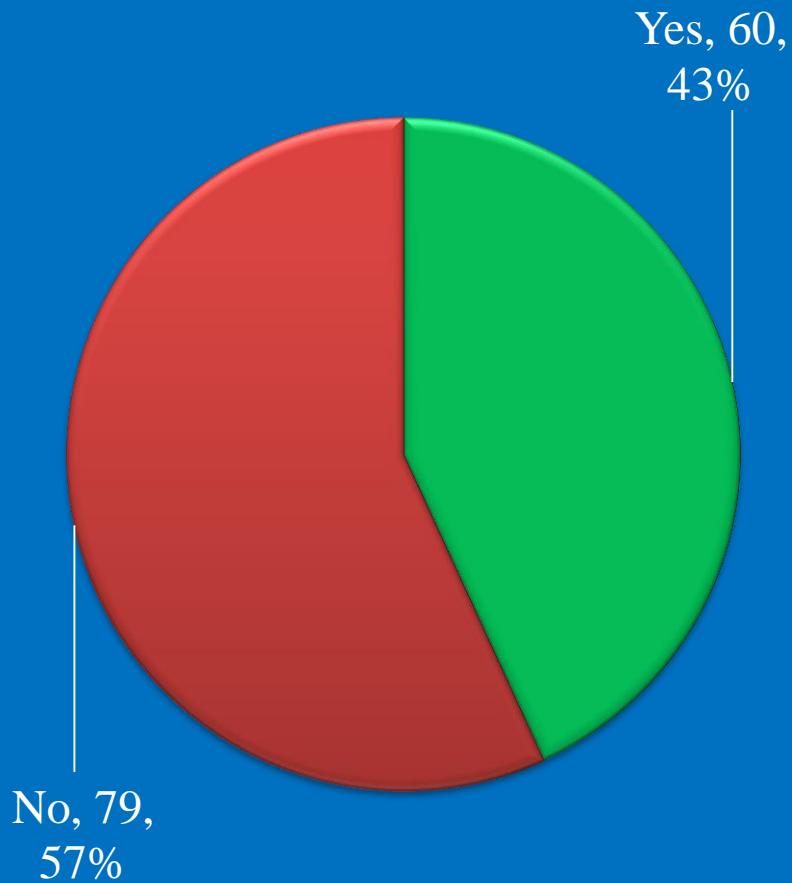
Total Respondents: 139

Taxi Service Quality Rating



Rating Scale: 1 = Very Poor | 2 = Poor | 3 = Okay | 4 = Good | 5 = Very Good

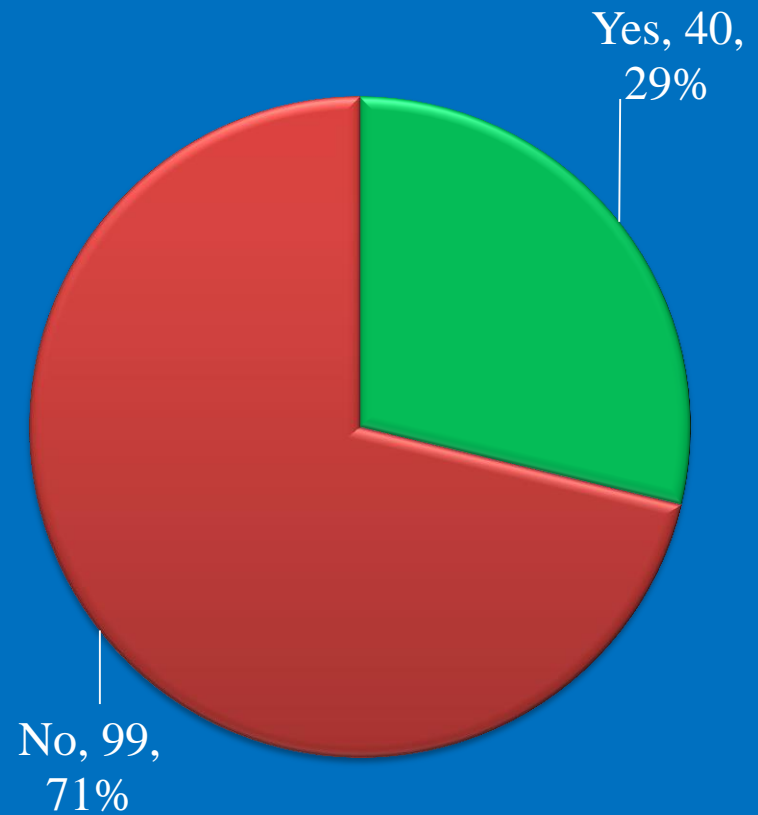
Do you or your guests find taxi service to be confusing given all the different vehicle color schemes?



Total Respondents: 139

TTLF

Do you know whom to call if you have a problem with taxicab service?



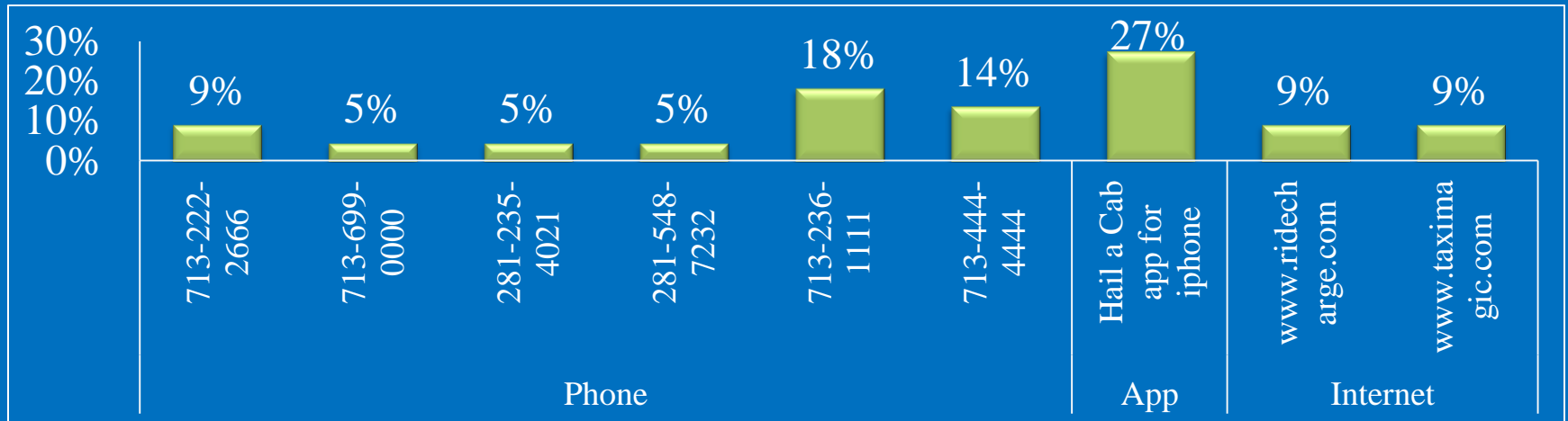
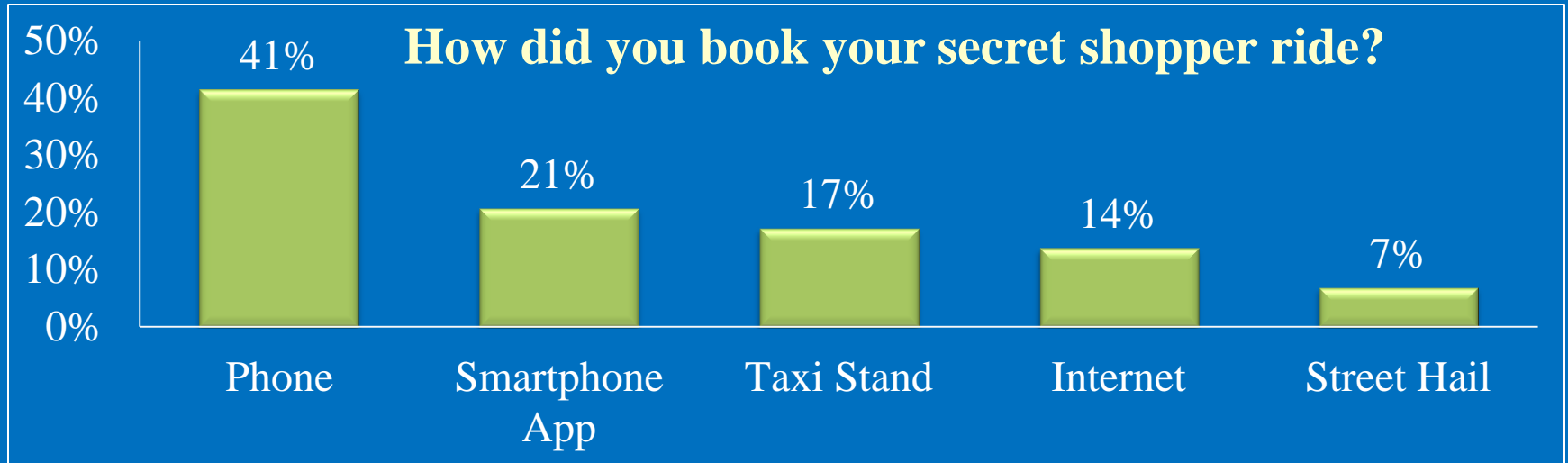
Total Respondents: 139

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**What should Houston do to make the taxicab services better?
Please list any additional comments you would like to make regarding
Houston Taxicab services.**

Complaints	Count
Rude, Unreliable service - Driver / Operator	9
Untidy Cab / Cab Driver Appearance	8
No Knowledge of area	7
Unprofessional conduct by Drivers	6
Long waiting period	4
Over Charge	3
Irresponsible driving	3
Do not accept Credit Card	3
Bad Air conditioning	3
Unsafe/Angry behavior	3
Driver / Taxi company Accountability	3
Take longer routes for higher fare	3
Expensive fares	2

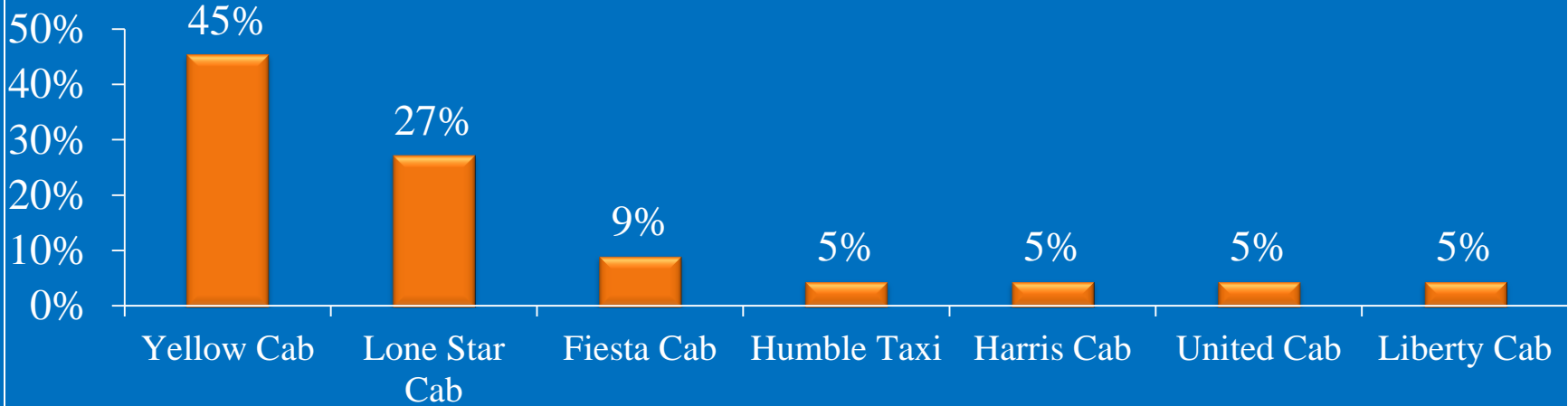
Secret Shopper Survey



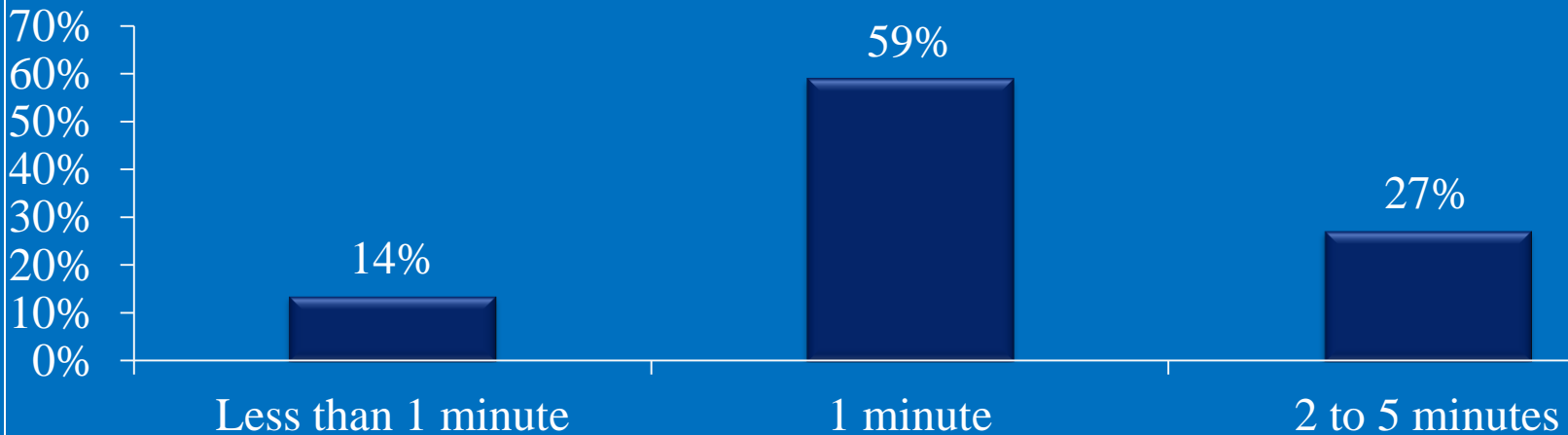
Total Respondents: 29

TTLF

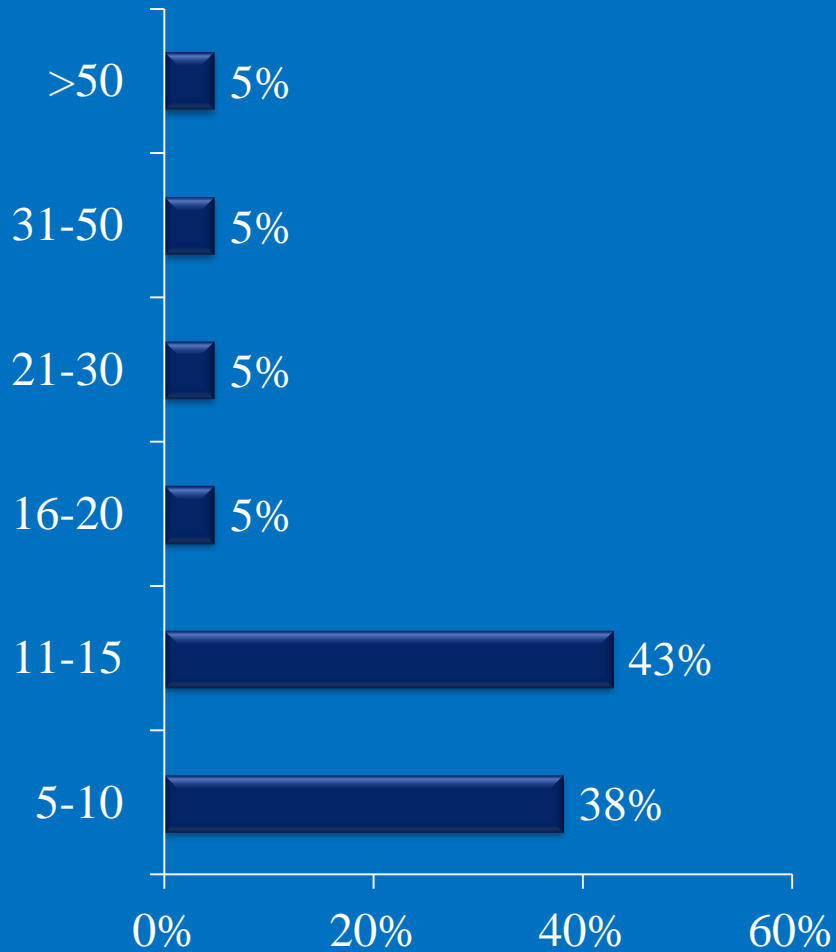
Taxi Company Used



Time for operator to answer the phone or app to respond (in minutes)



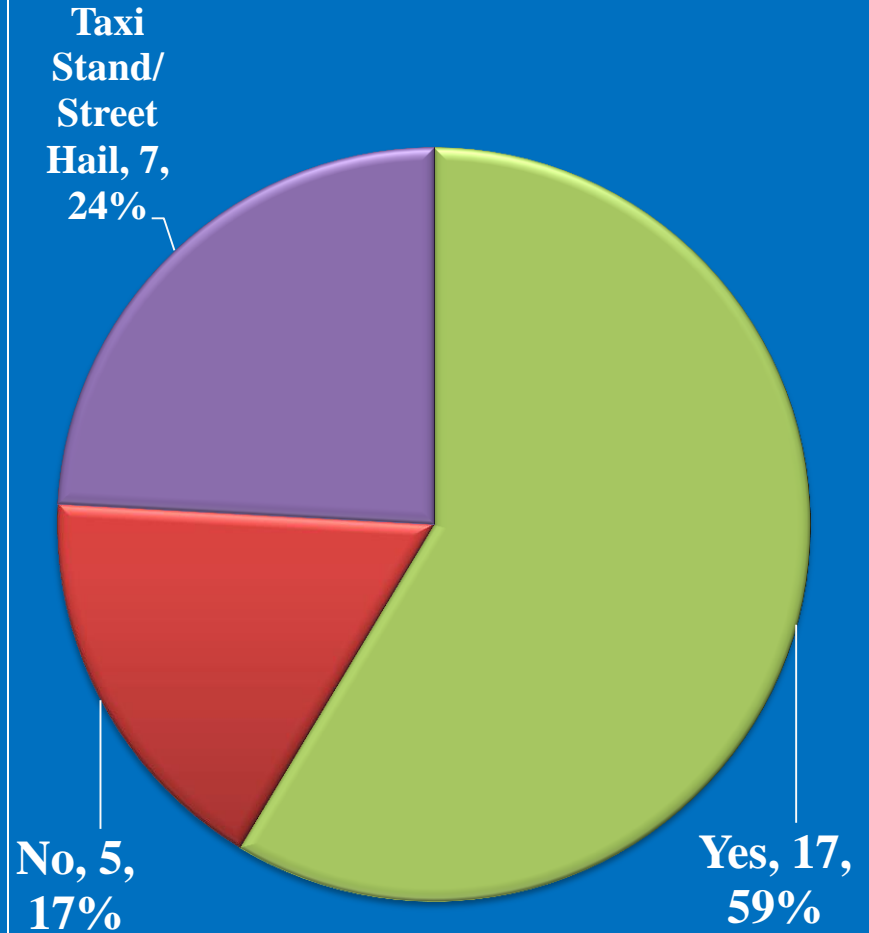
Time it took for the taxi to arrive (in minutes)



Total Respondents: 21

TTLF

Did your ride arrive on time?



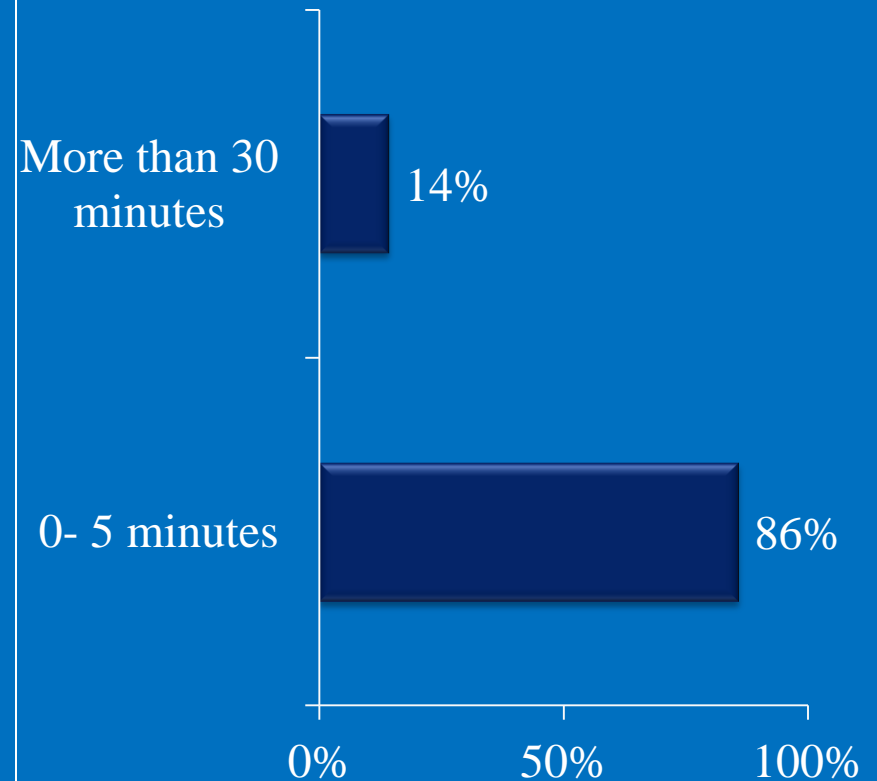
Total Respondents: 21

23

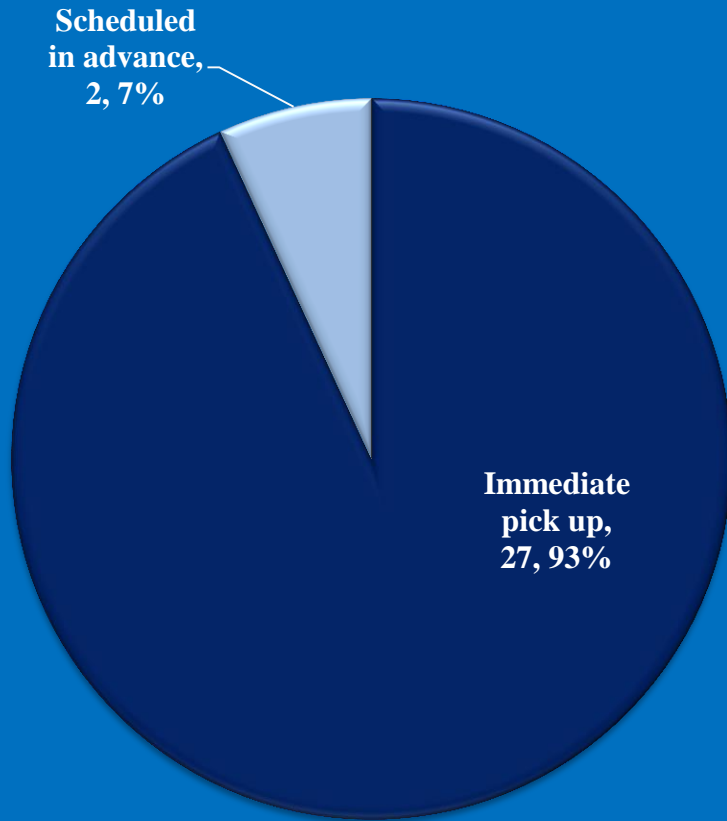
Please describe the telephone call. Was the operator friendly?

Response	Count
Friendly	10
Quick to respond	5
Thanked me	5
Gave an ETA	3
Followed up with a text	2
Greeted me	2
Not friendly	1
In a hurry	1

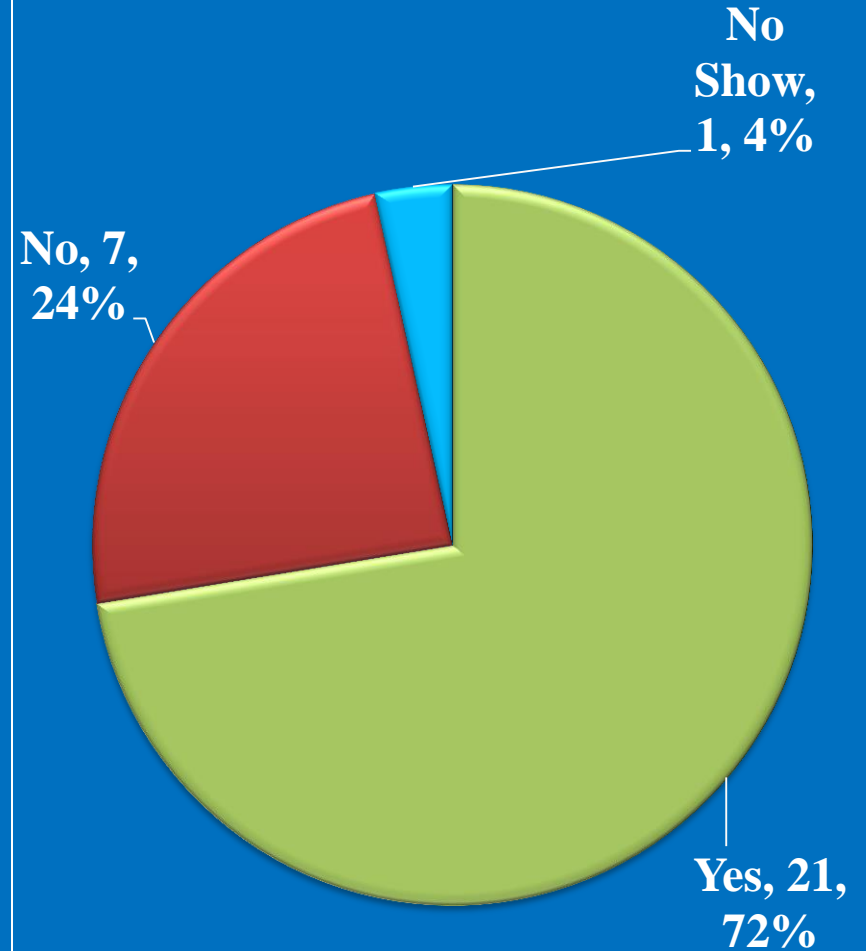
If you got your ride by street hailing or from a taxi stand, how long did you wait before you secured a ride?



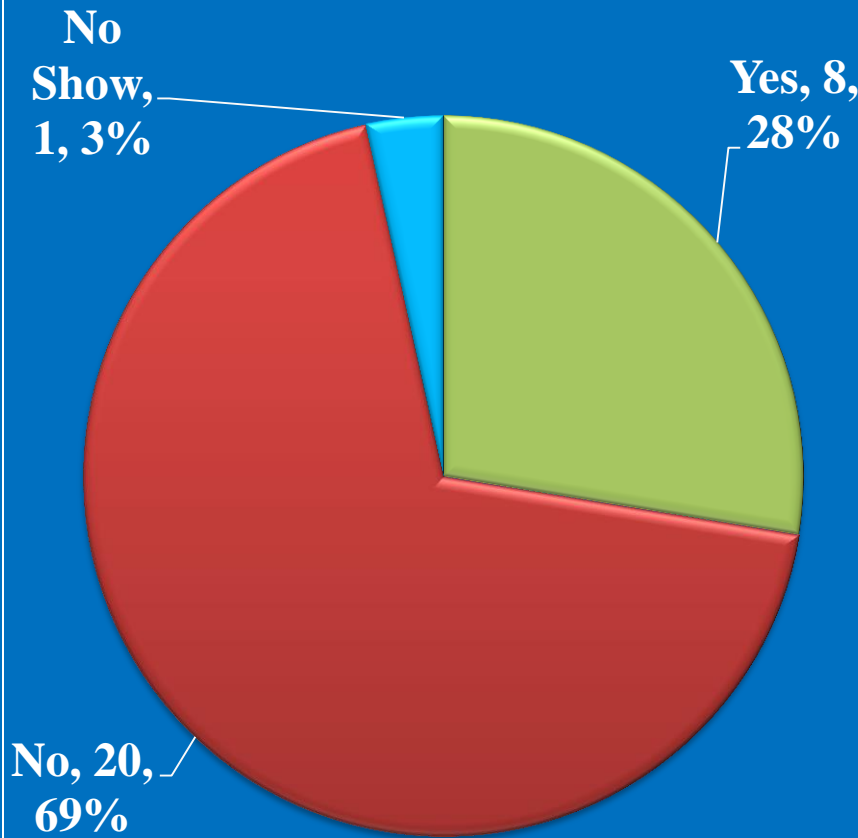
Did you request immediate pick up or did you schedule your trip in advance?



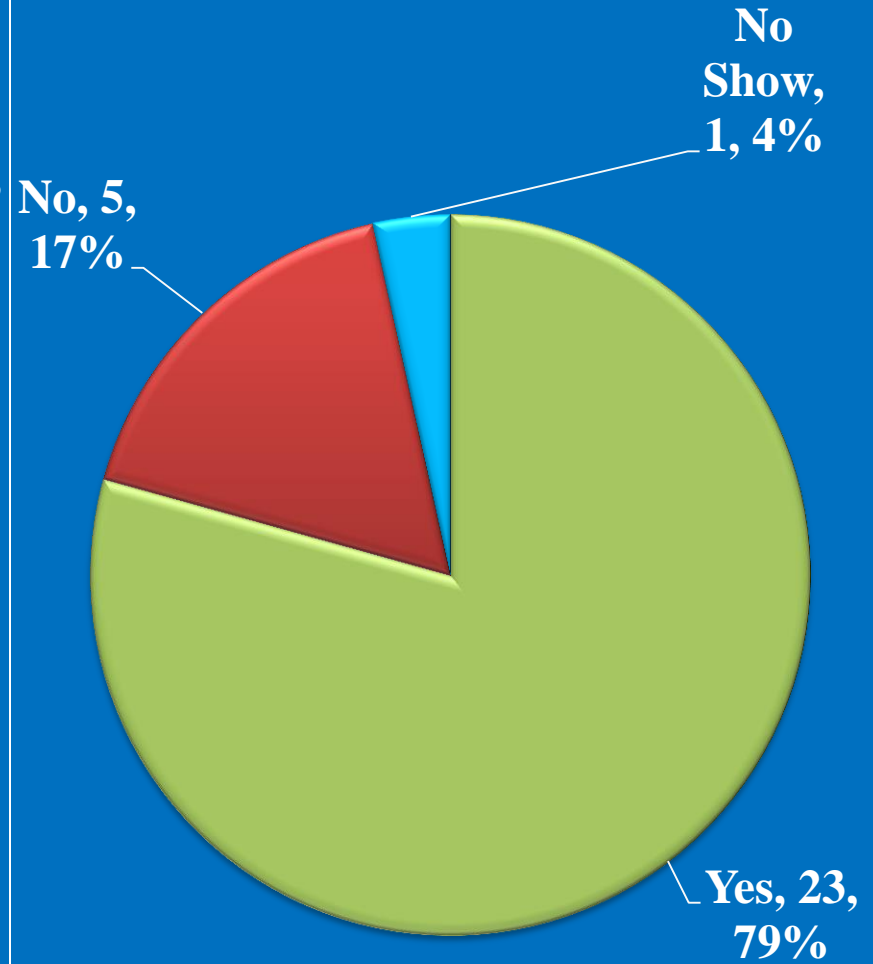
Did the driver know the way to your destination?



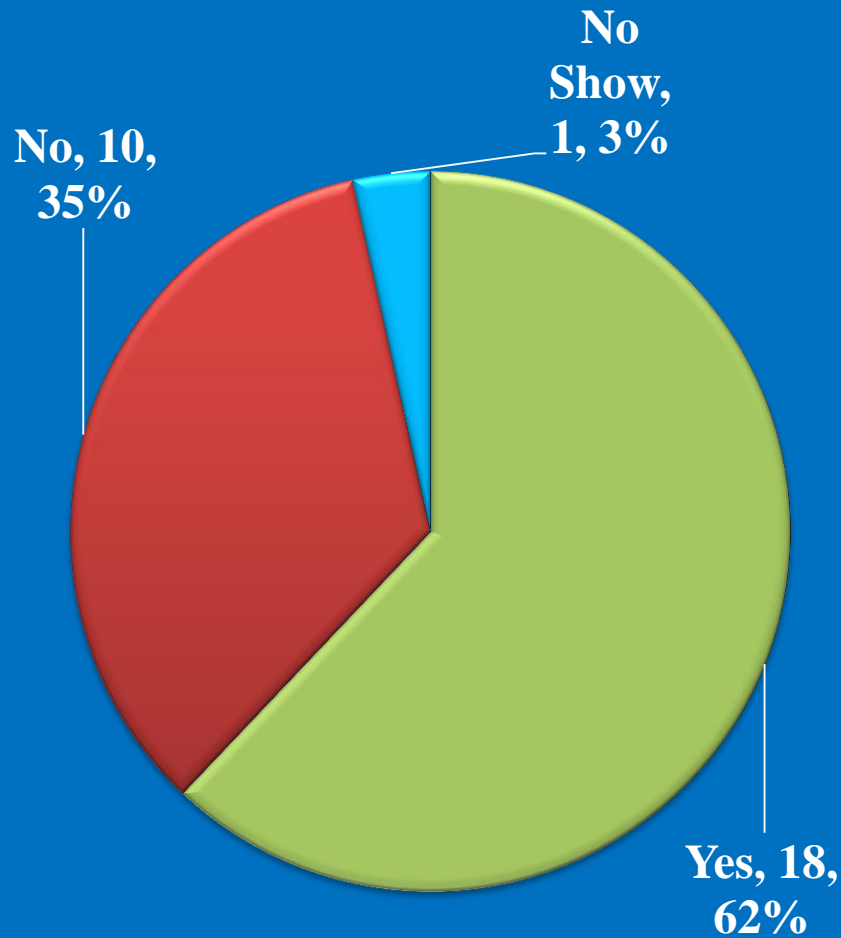
Was the driver talking on the phone or texting at any point during your trip?



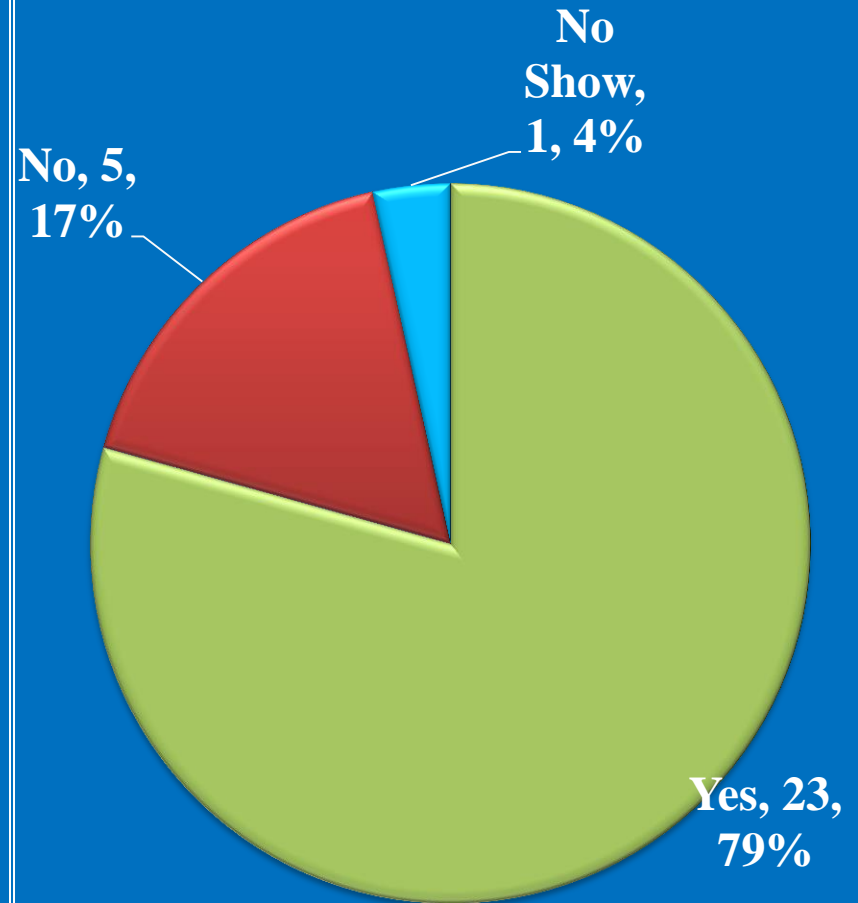
Did you feel safe in the vehicle?



Did the driver fill out the receipt completely?



Did the driver accept credit cards?



Minimum Limousine Rates???

- Currently stable, employee oriented limousine companies
- Umbrella rate-making – protect public's interest in taxi availability/affordability
- Protect % of typical taxi trips from price competition
- Use of statistical analysis

Company	Texas Taxi	%	Houston Yellow	%	Fiesta	%
\$0-\$5	57161	10%	21583	10%	1807	8%
\$5-\$15	242879	44%	94372	42%	13539	58%
\$15-\$25	116246	21%	47676	21%	4147	18%
\$25-\$35	63602	11%	21851	10%	1760	8%
\$35-\$45	26428	5%	10991	5%	848	4%
\$45-\$55	18247	3%	8621	4%	478	2%
\$55-\$65	12190	2%	7603	3%	355	2%
\$65-\$75	8157	1%	5589	2%	230	1%
\$75 or greater	8459	2%	5516	2%	290	1%
Total	553369		223802		23454	

Limousine/Sedan and Rideshare

- Threat of unregulated competition
 - Ridesharing: competition from unregulated vehicles and drivers
 - Fine for commuters so apply ridesharing regulation
 - Prohibit commercialization of peer-to-peer practices
 - Require Uber and others to be regulated as limousine or taxi dispatch companies
 - Apply dispatch company rules and regulations

Research Conclusions on the Effects of Open Entry Taxi/Limousine Deregulation from Houston Taxi Study Report

- Taxi and taxi type trips are derived demand; oversupply results in less revenue per vehicle in the marketplace
 - Taxi fares rose **29% the first year after deregulation**
 - *"Increasing fares to residential areas means that the impact of more taxicab is borne disproportionately by low-income persons. In other words, those who can least afford to pay would be charged the most...Those who follow the academic argument of 'letting the market decide' taxicab fares are really 'letting the poor pay more.'"*⁹
 - *Service availability increases but quality is diminished*
 - Every major city that has deregulated, re-regulated within 10 years
- ⁹ Gilbert, Gorman, Effect of Open Entry and Variable Fares on the Cost of Taxicab Service to Residential areas,1984

Best Practice Recommendations

- Incorporate new technologies within existing service providers
- Work with full service taxi companies
- Standardization of vehicles and drivers
- Accomplishment of regulation through companies – minimal city staff
- Minimization of medallions, individual permits/color schemes
- Incentives for taxi company growth/flexibility
- Solid strategy of protecting the public's interest