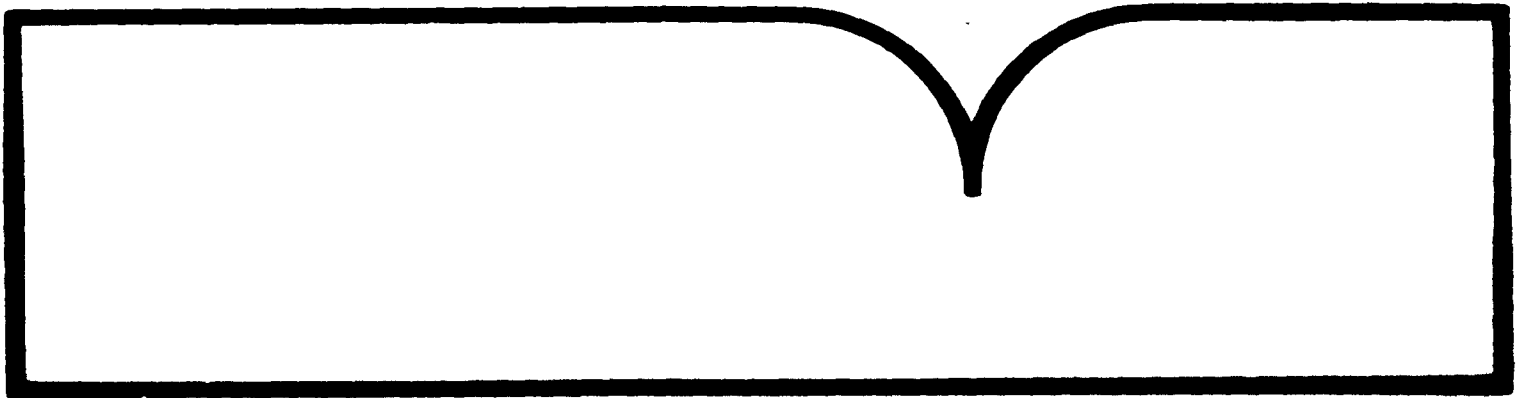


Effects of Taxi Regulatory
Revision in San Diego, California

De Leuw, Cather and Co., San Francisco, CA

Prepared for
Urban Mass Transportation, Washington, DC

May 83



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16. Abstract In January 1979, the City of San Diego removed its previous ceiling on taxi licenses and began issuing six new taxi permits every month. In July of 1979, this limit was raised to 15. Permits are now issued to independent owner-operators as well as fleets, up to a minimum number per month, but a single applicant may obtain only one new permit at a time. The taxi code changes had two major elements: open entry and competitive pricing. Open entry became effective in January 1979 and in August 1979, the standard rate of fare was replaced by a maximum rate up to which operators may charge what they choose, so long as their current rates are on file with the City. The maximum rate was removed in October 1980. The City has continued to issue new taxi permits and to accept rate changes to date. This final report evaluates the effects of these taxi regulatory revisions on local taxi service suppliers, taxi users, and taxi regulators. Effects are evaluated from sample data and City license and rate filing records collected from mid-1979 through 1981. Evaluation issues included changes in the level and quality of taxi service, taxi user characteristics and awareness of service, taxi service productivity measures, and the administrative efforts involved in implementation. Since the City's code changes affected taxi industry size and operations at San Diego International Airport and in San Diego County, special attention was also paid to interjurisdictional issues. This report contains case study conclusions and transferable applications.					
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of Transportation

Urban Mass
Transportation
Administration

Effects of Taxi Regulatory Revision in San Diego, California

**Final Report
May 1983**

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**UMTA/TSC Project Evaluation Series
Service and Management Demonstration Program**

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PREFACE

This Final Report describes the effects of taxi regulatory changes adopted by the San Diego City Council. The new regulations have two primary features: open entry and competitive pricing. Open entry became effective in January, 1979. Effective August 1, 1979, the standard rate of fare was replaced by a maximum rate up to which operators may charge what they choose; the maximum was removed in October 1980. The city has continued to issue new taxi permits and to accept rate changes to date.

The report presents impacts of the regulatory changes upon taxi service suppliers, ridership and regulators. Effects are evaluated from sample data and city license and rate filing records collected from mid-1979 through 1981.

The data were collected primarily by the City of San Diego Paratransit Administration with support from the Urban Mass Transportation Administration's (UMTA) Service and Management Demonstration (SMD) Program. This Final Report was prepared by De Leuw, Cather & Company for the Transportation Systems Center (TSC) of the U.S. Department of Transportation, under Contract DOT-TSC-1409. Principal researcher for the case study evaluation is Pat M. Gelb.

Grateful acknowledgement is due to numerous people for their cooperation and assistance in the preparation of this report. Carla Heaton, Technical Monitor, Transportation Systems Center, and Larry Bruno, Project Manager, UMTA, have provided valuable guidance and support. Barbara Lupro, Paratransit Administrator, and Elaine Balok and Carol Boland, former Administrators, as well as Victoria Whelan, Project Coordinator, and John Kay, Administrative Assistant, City of San Diego, provided essential data collection assistance.

The members of the San Diego taxi industry have also been generous in sharing their time, perspectives and trip sheets as well as in cooperating with the survey efforts. Their assistance was invaluable to the successful completion of this case study report.

Not least is the appreciation owing to the efforts of other members of the De Leuw, Cather staff: Robert M. Donnelly, June E. Miller, and Karla J. Forsman.

METRIC CONVERSION FACTORS

Approximate Conversions to Metric Measures		Approximate Conversions from Metric Measures	
When You Read	Multiply by	To Find	Symbol
LENGTH			
inches	2.5	centimeters	cm
feet	30	meters	m
yards	0.9	meters	m
miles	1.6	kilometers	km
AREA			
square inches	6.5	square centimeters	cm ²
square feet	0.09	square meters	m ²
square yards	0.8	square meters	m ²
square miles	2.6	square kilometers	km ²
acres	0.4	hectares (10,000 m ²)	ha
MASS (weights)			
ounces	28	grams	g
pounds	4.5	kilograms	kg
short tons (2,000 lb)	0.9	metric tons (1,000 kg)	t
VOLUME			
gallons	4	liters	l
quarts	1	liters	l
half gallons	0.5	liters	l
cup	0.24	liters	l
tablespoon	0.07	liters	l
teaspoon	0.05	liters	l
quarts	0.95	liters	l
gallons	3.8	liters	l
barrels (oil)	0.16	cubic meters	m ³
barrels (water)	0.16	cubic meters	m ³
TEMPERATURE (degrees)			
Fahrenheit temperature	0.5 (to get Celsius)	Celsius temperature	°C
Celsius temperature	1.8 (to get Fahrenheit)	Fahrenheit temperature	°F

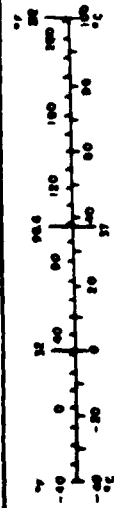
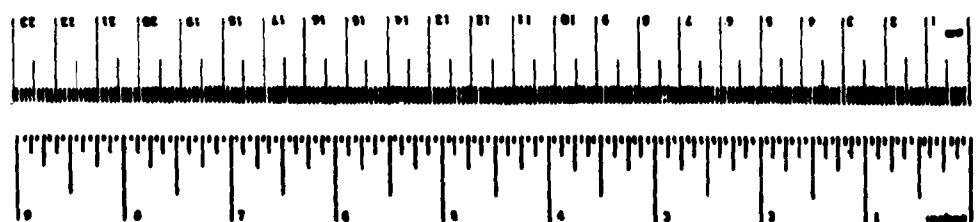


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EXECUTIVE SUMMARY

INTRODUCTION

THE REGULATORY CHANGES AND THEIR OBJECTIVES

City of San Diego Code Changes

In 1979, the City of San Diego adopted a thorough-going revision of its paratransit regulations, including taxicabs. The taxi code changes had two major elements: open entry and variable pricing. The previous ceiling on taxi permits and public convenience and necessity certification determined by the Council were replaced by a permit process administered by city staff. Permits are now issued to independent owner-operators as well as fleets, up to a maximum number per month, but a single applicant may only obtain one new permit at a time. Instead of a standard rate of fare, operators may charge whatever rates they choose, so long as their current rates are on file with the city. An initial rate ceiling was removed in late 1980 with an ordinance permitting drivers and passengers to bargain for fares under the company's fixed rate. The 1979 ordinance highlighted fixed-route taxi and jitney services charged on a per capita basis as well as shared-ride taxi services charged by zone.

Regulator Goals

The regulators' goals in promoting taxi code revisions were: to facilitate entry into the local taxi market; to improve administrative ease; to improve areawide taxi service coverage and promote service and pricing innovations by removing regulatory barriers and increasing competition; to relieve the Council of the burden of taxi regulation; and to reduce the city's dependence on a single large operation in a concentrated industry structure.

Rule Changes at Lindbergh Field, San Diego International Airport

Before open entry in San Diego, it was traditionally easy for taxi operators to obtain a sticker to operate at Lindbergh Field, which lies within the city boundaries. Applicants were required only to possess a city permit and pay a small (\$25) annual fee to the Port District. Owing to the increasing volume of applications for permits under open entry and attendant problems, reported below, the San Diego Port moved in late 1979 to freeze airport permits temporarily and then to raise fees (mid-1980), impose limits on airport taxi rates (early 1981), and adopt stricter operating restrictions and stiffer penalties for violations (early 1982).

San Diego County Code Changes

San Diego County removed its public convenience and necessity certification requirements and opened rate setting simultaneously with the city's code changes. Its primary motivation was to promote inter-jurisdictional cooperation and ease operations for multi-jurisdictionally-licensed taxicabs. There was no previous statutory limit on the number of county taxi certificates which could be issued.

The county provisions differed slightly from those adopted by the city in that the county imposed no initial ceiling on taxi rates but limited the frequency of company rate changes to twice per year. In late 1980 the county adopted procedural changes to triple its taxi regulatory fees. This ordinance also extended the county's paratransit jurisdiction to include jitney-type vehicles and services.

THE CASE STUDY EVALUATION

This case study evaluates the effects of the taxi regulatory revisions adopted by the San Diego City Council on local taxi service suppliers, taxi users and taxi regulators. Evaluation issues included changes in

the aggregate level, availability and quality of taxicab service; changes in taxi service demand and in taxi user characteristics and awareness of taxi service attributes; resultant changes in aggregate and average taxi productivity; and changes in the administrative time and dollar costs involved. Special attention was also paid to interjurisdictional issues since the city's code changes affected taxi industry size and operations at the San Diego International Airport and in San Diego County.

Monitoring of the effects of the code revisions continued throughout 36 months following the new ordinance. The data collection program included field surveys of taxicab response times to telephone requests for service, taxicab and passenger activity at cabstands, and taxi passenger characteristics; samples of taxi operator trip sheets; and compilation of taxi license records and rate filings. Personal interviews with local industry members were conducted throughout the evaluation. Reported changes in taxi industry size and structure, rates and operating practices cover the full three years of evaluation monitoring. Individual survey and trip sheet samples serve to report changes over a somewhat shorter-term interval following the code revisions.

This case study is one of several evaluations of the effects of taxi regulatory revisions being conducted by the Urban Mass Transportation Administration's (UMTA) Service and Management Demonstrations (SMD) Program.

OVERVIEW OF EFFECTS

The regulatory changes produced a dramatic increase in the size of the local taxi industry as the city began to fill a backlog of requests for new taxi permits while accepting a continuing stream of new applications. The aggregate level of taxicab service supply increased as a

result, but not commensurately with the rise in total permits, owing to lower average rates of taxi vehicle utilization following open entry. From the taxi user's point of view, taxicab availability has increased, particularly at the airport and in the downtown and Hotel Circle areas, where many of the newer and smaller operators concentrate their activities. Service specialization and market segmentation have developed according to operator size, with the smaller and generally newer entities focusing on the stand hail and long-haul business while the larger and older operations emphasize the bell business while attempting to develop their package delivery and other contract trade. As a result of these changes, passenger waits at the most active cabstands have virtually disappeared and taxi response times to telephone requests for service have improved following a temporary deterioration.

Taxicab rates have likely risen faster under variable pricing than they would have done under continued standardization, but the evidence also suggests that regulation was holding rates artificially low. The majority of taxicabs continue to be offered at the lowest rates, moreover, owing to price competition between the city's largest operations, and the fact that the larger entities have continued to offer lower rates than the smaller ones.

Although the data from this one case study do not provide for a reliable estimation of the elasticity of demand for taxi services, the San Diego findings support the following observations. First, taxi passengers are paying higher prices -- for improved service -- where under rate standardization they were getting taxi service below market rates. Second, some passengers may be being priced out of the market, but survey results suggest that this group constitutes a minority of all taxi users. Most respondents reported themselves not to be price sensitive and where they had decreased their taxi use over time, a variety of other factors outweighed price as the primary cause. The proportion of taxi users who are elderly remained steady from before open rate setting

through 1980. Since the large majority of lower-income riders were residents and the bell business service orientation of the large companies is residentially based, moreover, the lower-priced companies are targetting the potentially most price-sensitive market.

A ceiling on airport taxi rates imposed by the San Diego Port District in an effort to reduce airport taxi operating problems has tended to hold city rates down as taxi operators licensed under both jurisdictions avoid the need for dual metering capability. Some passenger confusion and complaints have resulted from variable pricing, particularly at the airport, where operation of the taxi queues is basically first in, first out and more of the highest-priced taxi services focus their operations.

Consumer education remains a problem, moreover. Many residents and most visitors were unaware as late as November 1980 that taxi rates vary in San Diego. Informational signs apparently do not solve the problem which is most acute at travel-related cabstands where visitors congregate and the greater volume of long-haul trips makes for more severe price-gouging.

A 4 percent decrease in total passenger trips between 1979 and 1980 combined with a 30 percent increase in total taxi permits over the same period produced an average drop in trips per shift. Industry average fare revenues collected per shift have remained more or less steady, however, owing to taxi company rate increases and a rise in the average trip length. Rising costs of gasoline and insurance suggest that the average taxi driver was not making as much money in the second year as he did previously. Lease operations in general serve to protect the taxi company from the vagaries of the marketplace, but reduced vehicle utilization in the second year following open entry implies that San Diego companies also experienced a drop in their lease revenues. The

fact that taxicab lease fees have not increased suggests increased competition for drivers. The number of taxi companies exiting the business during the first three years of open entry was relatively small, and continued demand for new taxi permits testifies to the apparent profitability of the local taxi industry. The lack of reliable operating cost information prevents our determining whether the firms which have left the business were unprofitable, poorly managed, inadequately financed or less capable of responding to competitive conditions than those which have remained.

In general, the regulators' objectives for taxi code revision appear to have been achieved. The City Council has been released from the time consuming and politically sensitive tasks of certifying need for taxi service and setting rates. The local taxi industry is less centralized and more competitive and the city is less dependent upon the largest company for service. The industry and public have both generally accepted the changes.

The regulators' hopes of achieving taxi service innovations through competition have only partially been realized, however. Although the regulatory changes have permitted development of fixed-route services -- chiefly addressing travel to and from the area's military installations -- zone-based shared ride taxi service has yet to become a reality. There have been almost no other service innovations to date.

Interjurisdictional conflict between the airport and the city is not resolved. Port attempts to deal with airport taxi problems by limiting entry (through higher fees) and rates militate against competition and produce inconsistencies in regulatory policy between the two jurisdictions.

The following sections present specific effects in turn in terms of the categories of evaluation issues cited previously.

SPECIFIC EFFECTS

TAXI INDUSTRY ENTRY AND EXIT

Prior to open entry, the city industry included one large, wholly-owned fleet holding over two-thirds (68%) of all city permits, seven small fleets and 60 one-cab companies remaining of 62 licensed in the wake of a 1976 strike against the large operator. A long waiting list of applications for new taxi permits was also compiled at this time.

This backlog of requests predating open entry by almost two years plus continuing new demand for taxi permits over the first three years of open entry produced a dramatic growth in the San Diego taxi industry. The total number of city taxi permits rose 84 percent, from 409 to 752, while the number of taxi companies nearly tripled from 68 to 202 firms. That is, growth was greatest within the category of small firms. The largest operation's share of all permits fell to 37 percent, while the two pre-existing membership associations of small owner-operators increased their permit shares and there has been a consolidation of permits by both veteran and new operators resulting in a proliferation of small fleets and mini-fleets. Since San Diego only issues one permit to an applicant at a time, these processes have been gradual but steady. Table ES-1 presents the changing total of licenses in each company size type for the three principal jurisdictions.

Airport taxi ranks increased some 40 percent (from 396 to 554) through 1980. Following the early 1980 moratorium on new permits and changes in airport fees and rate regulations in late 1980 and early 1981, the airport taxi fleet had dropped back to 456 permits by the close of 1981.

Demand for San Diego County taxi permits was never particularly high. City licensees generally maintained county permits as long as the county fees remained low and there were also about a dozen exclusively

TABLE ES-1 TAXI INDUSTRY SIZE AND STRUCTURE SINCE OPEN ENTRY:
CITY OF SAN DIEGO, SAN DIEGO AIRPORT, AND SAN DIEGO COUNTY

	December 1978*		December 1979		December 1980		December 1981	
	#	%	#	%	#	%	#	%
<u>CITY OF SAN DIEGO</u>								
Large Fleet (Yellow)	280	68%	280	57%	281	44%	281	37%
Other Fleets (4 or more cabs)	69	17	91	19	165	26	238	32
Mini-Fleets (2-3 cabs)	-	-	21	4	63	10	96	13
One-Cab Firms	60	15	96	20	132	21	137	18
TOTAL	409**	100%	488	100%	641	100%	752	100%
<u>SAN DIEGO AIRPORT</u>								
Large Fleet (Yellow)	280	71%	263	59%	263	47%	200	44%
Other Fleets (4 or more cabs)	56	14	79	18	137	25	126	28
Mini-Fleets (2-3 cabs)	-	-	19	4	50	9	52	11
One-Cab Firms	60	15	87	19	104	19	78	17
TOTAL	396	100%	448	100%	554	100%	456	100%
<u>SAN DIEGO COUNTY</u>								
Large Fleet (Yellow)	287	67%	283	69%	25	19%	38	25%
Other Fleets (4 or more cabs)	125	29	104	25	86	65	101	67
Mini-Fleets (2-3 cabs)	10	2	13	3	13	10	8	5
One-Cab Firms	5	1	10	2	9	7	3	2
TOTAL	427	100%	410	100%	133	100%	150	100%
*Pre-open entry								
**Excludes two limited permits								

county operators prior to open entry. A three-fold increase in county taxi permit fees adopted in mid-1980 motivated the largest operator to abandon over 250 permits and accelerated a drop in total county permits which had begun during the first year of open entry. Between the end of 1978 and the end of 1980, the county industry decreased by 68 percent, from 427 to 133 permits. There has been relatively little growth among the smaller firm types. A small increase of 17 permits -- chiefly of the largest operator -- was recorded during 1981.

The rate of city taxi industry growth was highest during the second year; the growth rate during 1981 was about half that during 1980. Demand for taxi permits remained steady during the first two years of open entry, and slackened somewhat during 1981. The city continues to accept permit applications and issue new permits beyond this writing, however.

The rate of city taxi business closures over the first three years of open entry was much lower than predicted by opponents of the changes. All of the exits through 1981 were from the smaller operation types and included both veteran and new permit holders. The permits involved represent only 5 percent of all permits active since open entry and 16 percent of all permits in the smaller firm types. The exits were evenly distributed over the three years since open entry and most of the affected permits were transferred to other permit holders or new permit applicants. This experience contrasts favorably with the pre-open entry history of 1976-77, when three of the small fleets with 36 permits and Yellow Cab, the largest operator, all instituted bankruptcy proceedings.

Nearly twice as many original (pre-open entry) owner-operators have continued or expanded their taxi businesses as exited between December 1978 and December 1981. No pre-existing regular fleet has changed hands, left the industry or decreased its total taxi permits below its pre-open entry level to this writing. Thus, to date, open entry has increased the fluidity of the local taxi industry without undermining its stability.

GROWTH IN "JITNEY" SERVICE SUPPLIERS

The number of San Diego's per capita and fixed-route, or "jitney," services has also risen substantially. About eight companies holding 27 permits operated jitney-type services as of December 1978, prior to open entry. After an initial drop in both companies and permits during the first year of open entry, there were 15 jitney companies with 48 permits (a 78% increase) as of December 1981. Service has generally concentrated in one of four principal areas: airport, border, military and shopping-sight-seeing. About one-quarter of the permittees in late 1981 also held city taxi permits. Only one jitney operator responded to the county's provision for fixed-route services and it terminated within a month of initiating operations.

Data on city jitney company exits are less reliable than those for taxi operations but suggest a higher turnover. About one-third of all jitney operations holding licenses in 1978 have closed; two were multi-permitted firms while the rest were single-vehicle operations. There are no longitudinal pre-open entry data for comparison.

RATES

Range and Variability of City Rates

Although industry opponents of regulatory revision predicted cut-throat competition or severe price gouging in its wake, most taxi operators favored open rate setting and advocated removal of the initial rate ceiling, arguing that a rate increase was long overdue. Regulator proponents of the change expressed the view that open rate setting would retard rate increases better than continued standardization. Results to date highlight two major findings.

First, average rates have risen faster under open rate setting than they likely would have done under continued standardization. The average

fare for exclusive ride taxi service in San Diego has risen over 60 percent, from \$4.50 for a 5-mile trip in July 1979 under the pre-revisions standard to \$7.25 as of December 1981. In contrast rates rose 29 percent over the 30 months preceding open rate setting (from \$3.50 in February 1977). On the other hand, the increase since open rate setting has barely kept pace with that of the Consumer Price Index for the San Diego region over the same time period, and it falls far below the rise of major taxi operating cost items such as gasoline and insurance. Thus, although taxi rates may be higher now than they would have been under continued standardization, regulation may have been holding taxi rates artificially low, as the industry contended.

Second, rates have varied considerably among different company types and between veteran and newer operators, with the older and larger firms generally maintaining lower rates than their newer and smaller counterparts. The majority of all taxicabs on the street -- from 81 percent to 89 percent of all vehicles -- have continued to operate at the lower rates. Throughout most of the 30 months since initiation of open rate setting, the largest fleet operator and the largest membership association have been in direct competition at the low end of the rate spectrum.

Thus, the weighted average rate, based upon the number of taxicabs being operated at any given rate segment,* has risen more slowly than the simple average. The weighted average fare for an average 3.75 mile non-airport trip rose 47 percent between mid-1979 and the close of 1981 compared with a 51 percent rise in the local CPI since January 1979.

Prior to variable pricing, San Diego taxi rates were set at \$1.10 drop (including a \$0.30 "gas crisis" surcharge), plus \$0.70 per mile and \$7.20 per hour waiting. The industry weighted average rate rose to

*No attempt was made in weighting to account for varying rates of vehicle utilization or geographic or temporal service variations.

about \$1.20 drop and \$1.25 per mile plus \$7.40 per hour waiting under open rate setting through December 1981. These rates approximated standard rates effective in San Francisco and Oakland-Berkeley, California, but were comparable with only the lower rates effective in Los Angeles. Individual company rates filed or in effect during any one quarter have varied as much as 45 percent, or about \$2.25 in a five-mile tip.

Boundaries on Airport Taxi Rates

Problems relating to the rise in airport taxi operations and the inconsistency between variable pricing and the basically first-in, first-out operation of the taxi queues at San Diego International Airport prompted the port's imposition, in late 1980, of a +20 percent range on allowable airport taxi rates, based upon the weighted average for the industry as a whole. Comparison of airport and city rates suggests that these limits may have helped to hold city rates down as operators licensed in both jurisdictions filed a single rate to avoid the need for dual metering capability. On the other hand, operators at the low end of the airport rate spectrum have contended that any further price hikes by their larger competitors will raise the weighted average and the -20 percent floor, forcing them to raise their rates or abandon airport operations.

Pricing Innovations

The San Diego case study has produced little real pricing innovation despite price competition for exclusive ride service. The primary innovations have been limited to discount coupons. Some 21 companies with 41 vehicles had filed zone-based rates for shared-ride service by late 1980, but no company had actually operated the service while the evaluation was monitoring the case study.

OPERATING PRACTICES

Market segmentation

The primary changes in taxi company operating practices relate to the influx of new and smaller operations blanketing the airport and other high-use stands and resultant market and service specialization by operator type. Prior to regulatory revision the larger veteran operations predicted that the new single-cab companies would "skim the cream" off the traditional taxi business, garnering a disproportionate share of long-haul trips to the exclusion of a balanced citywide service delivery. This result has been documented, at least as of the very near term following open entry. Evaluation surveys of cabstand activity observed single-cab and mini-fleet vehicles on busy stands in significantly higher proportions than their shares of all industry permits. It is difficult to see how it could be otherwise, however, since a small firm, even if radioed, cannot provide citywide service independently. On the other hand, the larger companies have more potential outlets to replace the stand-hail market, such as package deliveries and contract services in addition to their dominance of the telephone request business.

This basic service orientation of large and small taxi companies pre-dates open entry in San Diego. With the growing number of small firms under open entry, however, the larger firms and member associations responded to increased competition for the stand business by de-emphasizing the airport and other busy cabstands in favor of a renewed emphasis on telephone requests and commercial charge accounts. Development of package delivery services was temporarily stymied by conflicting interpretations of State PUC licensing requirements.

Lease and Labor Aspects

The majority of San Diego taxi shifts are operated by lessee drivers. Two older fleet-type operations retain a minority of employee (or commission) drivers. Unionization is no longer a factor in local industry structure

and operations. Most single-cab company vehicles are driven solely by the owner-operator and not leased to another driver for an additional shift. Average lease fees have not risen but may have dropped slightly since oper. entry, owing to competition for lease drivers in an expanding industry and the growing trend to 12 hour leases, or more hours for the same "gate." Fees vary from \$17 for a 12-hour shift to as much as \$35 or \$50 for 24 hours, net of gasoline and mileage charges.

A few operators exacted exorbitant fares from unsuspecting airport and military taxi customers and there was a temporary rise in short-haul refusals from the airport. Early 1982 witnessed a mass arrest of drivers -- mostly from one company -- on drug charges. Otherwise there has been no reported rise in illegal operating practices. Attempts by taxi and jitney operators to use SDTC bus stops (though legal) have provoked the ire of the transit operator.

OTHER LEVEL OF SERVICE MEASURES

Unlike conventional transit, where service policies are determined by the operator, taxicab level of service characteristics such as availability, geographic service coverage and response time are highly dependent upon the volume and temporal and spatial distribution of demand. The presence of a taxicab within the radius of any passenger's acceptable response time depends upon there having been another trip with similar temporal and spatial characteristics. Therefore, aggregate level of service measures such as total weekly shifts or hours of service are also inevitably measures of demand in that the taxi driver -- particularly the lessee driver or owner-operator -- exercises some control over output. That is, the driver may target service to busy time periods or particular locations, or drive only as long as needed to clear a certain profit over costs. Thus, the total number of taxi permits is an insufficient measure of service supply. The following sections present more detailed findings on changes in a variety of level of service measures obtained from analysis of a sample of taxi operator trip sheets in each of two years. Table ES-2 presents key supply and demand characteristics distilled from these analyses and discussed in these paragraphs.

TABLE ES-2 KEY SUPPLY AND DEMAND CHARACTERISTICS SINCE
TAXI REGULATORY REVISION IN SAN DIEGO

	August 1979*	August 1980**
Total Weekly Shifts Supplied	3,510	3,870
Average Shifts Per Cab Per Day	1.08	0.92
Total Weekly Hours of Service	33,950	39,780
Average Hours Per Cab Per Day	9.9	8.9
Fare for a 5-Mile Trip***	5.70	6.15
3.75 Mile Non-Airport Trip	4.25	4.75
7.4 Mile Airport-Connected Trip	7.30	8.60
Total Average Weekly Trips	44,420	42,830
Airport	24%	21%
Non-Airport	76%	79%
Total Average Weekly Riders	66,630	64,245
Airport	23%	15%
Non-Airport	77%	85%

*As of 8 months following open entry, when less than 45 new permits had been issued, and open rate setting had just become effective.

**One year later, 20 months into open entry and one year into open rate setting.

***Weighted average fares.

Shifts and Hours in Service

The number of taxicab shifts supplied did not increase commensurately with growth in permits over the first year and a half of open entry. The industry as a whole supplied 3,510 taxicab shifts per week in August 1979 and 3,870 shifts per week in August 1980, a 10 percent increase, over a period in which the permit total rose 30 percent. The rate of increase in the number of taxi shifts supplied was less than that in permits chiefly because of a drop in industry average taxi vehicle utilization, from 1.08 shifts per cab per day in 1979 to 0.92 shifts per cab per day in 1980. That is, there were 30 percent more vehicles but each vehicle was providing only 85 percent as much service per day in 1980. Where 50 percent of all taxi vehicles were in service at least 21 days out of 31 in 1979, moreover, half of the larger industry worked no more than 18 days out of 31 in 1980.

The larger operation types, those who derive their revenues primarily from lease fees and who therefore have the greatest stake in high vehicle utilization, provided a higher rate of service per permit than their smaller counterparts. This is reasonable, since the service levels of the smaller companies and particularly the single-cab operations are more strictly limited to the capacity of the individual owner-operator. Inter-company differences also suggest that either the expanding companies were not able to field all of their vehicles or that there is an increase in part-time operations.

On the other hand, aggregate weekly industry hours of service increased some 17 percent, from 33,950 to 39,780 total hours per week, chiefly owing to the longer shifts of the largest fleet. The average taxicab operated nearly ten hours per day in August 1979, compared with just under nine hours in August 1980, however, owing to the drop in average daily vehicle utilization.

Changes in Geographic Service Coverage

The available data are insufficient for estimating geographic taxi service coverage in terms of ratios of vehicles, shifts or in-service hours by geographic area or major demographic distributions. All San Diego operations are required to be radio-dispatched and thus, theoretically, to provide citywide service. But practice necessarily varies, with larger fleets targetting broader areas and small companies concentrating on particular districts. To the extent that taxi service supply is inherently demand-responsive, these service characteristics are measures of demand as much as of supply, as previously noted.

Anecdotal evidence from taxi industry members and the results of the trip sheet analysis -- limited as these indicators may be -- suggest little or no increase in total geographic service coverage and generally little to outlying residential areas. The largest operator supplying citywide service did not increase in size, while the two largest of the smaller fleets do not claim to provide citywide service. One targets the Point Loma and Ocean Beach areas (whose service may therefore have improved) while the other's service is more or less at the discretion of the individual lease driver. Stand hail survey results indicate an oversupply of taxicabs at the airport and other major downtown and hotel area stands. The more recent de-emphasis of these locations by the largest fleet and the largest membership association in favor of the telephone-request business suggests an increased supply of service to residential areas. But the trip sheet results do not serve to identify any major new attraction areas. There was also no evidence to suggest that taxi service to the city's ethnic minority areas changed significantly. In general, the industry average decline in total miles driven per shift and per hour indicates that total cruising actually decreased with open entry and therefore that total geographic service coverage may even have contracted somewhat.

Taxi Service Availability and Response Times

Reduced cruising related to rising costs and many drivers concentrating on a relatively few sources of potentially long-haul trips may have affected taxi availability over the near term following the code changes. A deterioration in average passenger wait times from 10 to 13 minutes was estimated between 1978 and 1979. Response time survey results from 1979 further suggest that the industry was not meeting the city's performance standards for telephone requests -- or 80 percent of all calls to be met within 15 minutes. A subsequent improvement to seven minutes average wait time for telephone-requested service was indicated by late 1980, however. This is consistent with operators' reported shifts away from the airport and other busy stands and re-emphasis on the telephone business. (Passenger waits at these busy cabstands were generally negligible.)

Areas outlying the downtown and Centre City generally had longer wait times following telephone requests for service than close-in areas, especially at night. Alleged discrimination in taxi service to Southeast San Diego, one of the city's primary ethnic minority residential areas cannot be verified with the survey data, however.

EFFECTS ON TAXI RIDERSHIP

Estimated changes in level of demand for taxi services are chiefly based upon analysis of taxi operator trip sheets. A word on trip sheets is therefore in order, since their varying completeness introduces potential bias in our results. To the extent that trips are not recorded and this neglect increases with increasing numbers of independent owner-operators and lease-drivers, the analysis underestimates demand levels over time. There was no reliable basis for adjusting the data to correct for such bias in this ground-breaking study, however.

Trip sheet sample data suggest that total passenger trips declined about 4 percent between 1979 and 1980. At 1.5 passengers per trip, city taxis carried 3,474,290 passengers in 1979 and 3,349,920 riders in 1980. The latter figure amounts to roughly 12 percent of annual revenue ridership carried on SDTC buses in FY1980. (The total transit mode split in the region is less than 2 percent, according to the SanDag 1978 Regional Transportation Planning Model.)

Changes in Taxi Rider Characteristics

Changes in taxi rider characteristics apparently relate to increases in service on Fridays, weekends, and at airport and other high-demand and visitor-oriented taxi pick-up locations. The primary changes in taxi user profiles observed over three years of Taxicab Passenger Profile Surveys (PPS) include a higher incidence of more affluent, visitor and less frequent taxi trip-makers, a reduction in low-income, resident and young riders and in military personnel.

The proportion of visitor taxi users increased from 33 percent in 1978 to 49 percent of all taxi trip-makers in 1980. This increase in visitor taxi users is also partly a function of the nine percent rise in area tourism documented by the San Diego Convention and Visitors Bureau between 1978 and 1980.

The overall proportion of taxi-using military personnel declined from 30 percent in 1978 to 20 percent in 1980. This rider segment decreased most rapidly between 1979 and 1980, likely a function of the proliferation at that time of fixed-route services designed to serve travel between the area's military installations and between the bases and other area activity centers. Indeed, the shift of military personnel to jitney-type services may account for some real loss of taxi ridership.

Consonant with the rise in visitors, the overall proportion of non-military resident taxi riders declined from just under one-half in 1978 to just over one-third in 1980. Changes in resident taxi user profiles also suggest a shift toward a more affluent, less transportation-dependent group. A steadily increasing majority of all resident taxi riders held a drivers license, while those in households with no motor vehicles declined. The proportion of resident riders observed to be disabled remained at about 4 percent of all ridership while that of elderly cab users remained at 10 to 11 percent over the three years of survey.

Changes in Taxi Travel Behavior

Along with the general decrease in transportation dependency among resident taxi users, there appears to be a shift from regular taxicab users to rather infrequent users. Although the PPS indicates a small increase in average vehicle occupancy owing to a rise in the proportion of larger groups, the large majority of trips included only one or two passengers in all three years, from 91 percent of all trips in 1978 to 86 percent in 1979 and 83 percent in 1980. Trip sheet trip data suggest that taxis carried four or more passengers only two percent of total engaged time in either 1979 or 1980.

The overall decline in taxi ridership and the increase in affluent, visitor and infrequent taxi user groups tend to deny that the increase in taxicab supply has lured riders from conventional transit. While 37 percent of residents and 44 percent of visitors listed bus as their chief alternative to a taxi for their trip in 1980, these taxi riders were not frequent bus users. Residents who reported their taxi use had increased over the previous year said they made only two bus trips per month compared to three trips for those who said they now used taxis less than before.

Changes in Taxi Trip Characteristics

There appears to have been a decline in work-related taxi trips and a small increase in social-recreational trip use. Related to these changes in taxi trip purposes is a shift toward greater evening and nighttime taxi travel. The change in nighttime trip-making is primarily attributable to visitors, whose proportion of evening and nighttime taxi usage nearly doubled over the three years. Most of these trips were carried by the larger fleets, which likely relates to the telephone-request orientation of these service providers and the fact that most nighttime trips are initiated by telephone. (While the fleet operations generally widened their service envelopes to capture the evening and nighttime travel, the associations and single-cab operations showed relatively little nighttime activity. Indeed, they appeared to have abandoned this market to the larger fleets.)

Increased emphasis on long-haul trips over the first 18 months of open entry is reflected in a rise in the average passenger trip length but no apparent increase in travel time between 1978 and 1980. This finding reflects a rise in longer distance, freeway-oriented taxi trips. The November PPS results (which likely incorporate some bias against shorter trips) yield an average trip length of 4.1 miles in 1978, 5 miles in 1979 and 5.5 miles in 1980. Trip sheet data collected in August of 1979 and 1980, and likely including a higher proportion of recreational and visitor short trips, suggest that average trip lengths increased from 4.6 miles in 1979 to 4.8 miles in 1980.

Average passenger trip travel times observed and recorded by the PPS survey workers were 13.1 minutes in 1978 and 12.6 minutes in 1979 and 1980. Vehicle trip travel times estimated from the trip sheets averaged 13.3 minutes in 1979 and 12.2 minutes in 1980.

Estimates of average taxi trip fares paid also differ between the two sources, owing to differences in trip lengths and to the three months' time difference between the two data points, during which operators continued to file rate increases. The PPS data indicate a rise in the average taxi trip fare paid from \$3.91 in November 1978 to \$6.57 in November 1980, which is in keeping with the rise in the weighted average rate for the industry as a whole. The trip sheet data indicate that the average fare was \$4.39 in August 1979 and \$5.68 in August 1980, a sharper rise than exhibited by the industry weighted average, and likely including some tipping.

TAXI TRAVELLER ATTITUDES AND AWARENESS

Large majorities (from 75 percent in 1978 to 82 percent in 1980) of both residents and visitors rated taxicab service in San Diego positively during each of the three years of survey. A perceived improvement in service is suggested by upward shifts in both groups' service ratings over time. On the other hand, awareness of variable pricing was lowest among those who rated the service as "excellent" and increased with progressively less positive service evaluations.

Those who were aware of variable pricing (about half of all resident riders and one-third of visitors) used taxicabs twice as frequently as those who were not. Only small minorities of either group said they tried to comparison shop for taxi service, however. The most frequently cited reason was that the riders used taxis so seldom the cost did not amount to much. Middle-income persons were the likeliest to comparison shop, and reading the posted rate on the taxi door or bargaining with the driver were the chief means, as they were the principal means riders used to learn about variable pricing in the first place.

Convenience was riders' most frequently cited consideration in their choice of a taxicab. Nearly two-thirds of the resident riders said they typically use one cab company more than others and primarily because they are "most familiar" with it.

EFFECTS ON TAXI OPERATOR PRODUCTIVITY

This section reports changes in operator productivity measures such as number of trips, paid miles, and fare revenue collected per shift and per hour and the ratio of paid to total miles per shift. Reliable taxi operator financial and operating data were not available for the evaluation to estimate operating cost and cost-effectiveness measures. It should be emphasized that the findings reported are for the very near term, eight to 20 months following the regulatory code revisions. Longer-run impacts may differ as the continued interaction of taxi operator supply changes and traveller demand responses produces a changing level of supply and demand reflected in new revenue and productivity statistics.

Industry Average Changes

The trip sheet data suggest that a variety of taxicab productivity measures declined industrywide between 1979 and 1980. The average number of all vehicle trips booked per shift dropped from 12.6 to 11.1, while the average number of paid miles per shift decreased 10 percent. The industry average ratio of paid to total vehicle miles held more or less constant, however, as drivers limited their cruising between trips. Thus San Diego taxi drivers drove 2.2 miles for every paid mile in 1979 and 2.4 miles for every paid mile in 1980.

The industry average of paid trips per hour dropped from 1.3 to 1.1, while paid miles per hour dropped from 6.0 in 1979 to 5.1 in 1980. At 20 miles per hour average speed, including boarding and unloading,

fare collection and so on, engaged time per hour would have amounted to about 18 minutes in 1979 and 15 minutes in 1980.

Despite the average drop in total trips per shift, average fare revenue per shift increased about 13 percent, chiefly as a result of taxi operator rate increases but also of the increase in the average trip length owing to operators' concentration on the prime sources of these trips. None of the company groups analyzed experienced a drop in fare revenues collected per hour between 1979 and 1980, whatever the changes in their other productivity measures. Rising costs of gasoline -- and insurance in the case of owner-operators -- suggest that the average San Diego taxi driver was not making as much in the second year as he did before, however.

Changes by Company Type

The changes documented in company group shares of total weekly taxi trips between 1979 and 1980 relate primarily to the changes in taxi industry structure. That is, expanding company types captured an increasing market share in general proportion to their larger share of city permits. Changes in company group shares of total weekly revenues, on the other hand, relate to differences in company fare schedules and their relative proportions of long-haul trips.

All of the smaller operation types produced higher average per shift revenues than their largest competitor while recording significantly fewer trips per shift. But their rates are not sufficiently high to account for the whole difference in revenue. It also results from these companies' successfully focussing their operations upon sources of long-haul trips. Thus these small companies produced higher ratios of paid to total vehicle miles and paid miles per hour than their full-service counterparts. As the taxi industry continues to grow, however, competition for short trips should also increase. Operators interviewed throughout

1980 and 1981 contended that the airport and other prime cabstands were saturated and that the bell business was the wave of the future. The evaluation did not obtain later trip sheet data to document these projections.

ADMINISTRATIVE AND INSTITUTIONAL FEASIBILITY

Costs of Taxi Regulation

The San Diego code revisors originally targetted taxi permit and regulatory fees at 50 percent of full recovery cost in order to offer an incentive to small operators to enter the local industry. The city seeks to maintain the same incentive, although increases in administrative costs may necessitate a rise in permit fees. City documentation of regulatory costs, still incomplete, suggests that annual regulatory costs have increased by 158 percent over the pre-revisions estimate.

Administrative Feasibility

Administrative implementation of the code changes was complicated by the high volume of permit activity, the absence of permit tracking and documentation procedures in place at the onset of open entry and variable pricing, and turnover among key Paratransit Administration personnel. Achieving uniform industry compliance with the new code requirements, moreover, was impeded by the sheer number of new taxi operations. The San Diego P/TA therefore implemented its new administrative responsibilities against formidable odds. Procedural improvements were adopted throughout the implementation phase with significant efforts devoted to operator, inter-departmental and inter-jurisdictional liaison.

Institutional Feasibility

In general, the 1979 Paratransit Ordinance has achieved the city's goal of releasing the City Council from the burden of taxi regulation, although administrative staff involvement has increased. The lack of legal challenges to the 1979 law and subsequent taxi code and regulatory requirements and the overall consistency of these various steps demonstrate the institutional feasibility of taxi regulatory revision in San Diego. Industry and public acceptance of the code changes appears to have been achieved. Indeed, San Diego's experience has provided the impetus for planning to achieve multi-jurisdictional taxi regulation for the San Diego region.

Interjurisdictional Issues

Inconsistencies in taxi regulatory policy between jurisdictions, on the other hand, were a primary source of conflict following implementation of San Diego's code changes. Differing objectives for taxi service and conflicting views among city and airport regulators on the merits of open competition have yet to be completely resolved. Lindbergh Field, the San Diego International Airport, lies within the municipal boundaries of the City of San Diego and is under the direct jurisdiction of the San Diego Unified Port District. Given that the airport represented the readiest source of potentially long-haul trips, it quickly attracted a large volume of new applications for taxi permits under open entry. The attendant rise in queue jumping, cruising, price gouging and short-haul refusals attributed to the steadily increasing number of airport taxi operators led the port to impose its six-month moratorium on new ground transportation permits and follow-up measures to limit airport entry and restrict operations. Tighter rules and stiffer penalties have improved the situation but the need for consumer education remains acute. Meanwhile the new airport rules -- particularly the rate limitations and underlying first-in first-out operation of the taxi queues -- are inconsistent with

the open competition objectives of the city and county code provisions. Considerable effort in inter-jurisdictional liaison was required to achieve mutually acceptable approaches after the fact. These efforts would likely have proved more productive if undertaken as part of the initial and ongoing planning steps for implementation of the code changes.

Interjurisdictional friction between the city and county over taxi matters was virtually non-existent. San Diego County accommodated the city's code changes in its own ordinances. Demand for county taxi permits has traditionally been low due to low demand for taxi service in the sparsely populated unincorporated areas within the county's jurisdiction. Relatively few city-licensed companies currently maintain county licenses for their vehicles.

TRANSFERABILITY OF FINDINGS

Transferability of the findings of the San Diego case study to other localities is likely limited by several factors. First is the evident general health of the local taxi industry following the setbacks of 1976-77. A primary basis for the industry's soundness and a second important local factor is the strength of the San Diego region's expanding tourist industry. Long sunny seasons and ready access to water-based recreation and the Mexican border attract visitors from the United States, Mexico and abroad. San Diego's attractiveness as a retirement locale also accounts for a relatively large elderly population potentially oriented to taxi travel. Moreover, the area's public transit systems are admittedly limited. These factors contribute numerous outlets for part-time taxi operation of a street and stand-hail business.

Places with low or declining visitorship, limited travel connections or recreational opportunities and limited potential for developing a cruise business in the downtown or hotel districts may not be able to

anticipate such high demand for new taxi permits. Finally, the area's generally low pre-code revisions taxi medallion values were a major factor in the ease of implementing open entry. Other jurisdictions where taxi licenses are traded for considerable sums should probably anticipate significant and heated opposition to open entry proposals.

1. INTRODUCTION

Taxi regulatory revision in San Diego and other U.S. cities is in keeping with the impulse to reduce what is viewed as non-essential government involvement in private enterprise. Key aspects have been to remove exclusionary or monopolistic restrictions on service providers and transfer responsibility for determining rates and permit ceilings from local regulators to the marketplace. A related issue is whether removing regulatory barriers and increasing competition will result in broader service coverage and stimulate pricing and other service innovations.

1.1 OVERVIEW OF TAXI REGULATORY REVISION

Most of the taxi regulations currently in force in many U.S. cities originally addressed the volatility of the industry's early years. That is, they sought to prevent reportedly widespread customer abuses, provide for operator accountability, standardize service and limit so-called unfair competition among taxi operators and between the taxi industry and other transit modes. Over the years, however, the taxi industry in many locales has quieted into a familiar and stable structure. Often dominated by a few large fleets and more or less self-regulating in respects relating to service standards, the industry has remained subject to local government decisions on permit ceilings, standard rates of fare, and allowable service types. Little public interest focussed on taxicabs during the twenty years following the early 1950's. Local regulators, grateful that the taxi industry had outgrown its turbulent past, had come to view it as a "sleeping dog" which was better left alone.

As operating deficits and funding cuts continue to threaten provision of public transit services, however, local regulators and planners have begun to focus on the taxicab for its potential to supplement or even replace conventional transit services. Regulations designed to protect the transit industry from unfair competition have come to be viewed as inhibiting the inherent flexibility of taxicab services. Regulators have also begun to doubt that existing code provisions offer any guarantees of a balance between supply of and demand for taxi services, or between operating costs and rates of fare. Population ratios are insufficiently sensitive to demand. Moreover, the data required to demonstrate the need for rate increases are difficult to interpret, costly to assemble, and require the regulators to rely on documentation supplied by the regulated service providers. Concepts like percentage rate of return on invested capital and ratios of overall operating costs to revenues appear simply to guarantee that taxi rates will go up with costs.

Increases in taxi operator costs, moreover, particularly in gasoline prices and liability insurance, have accelerated the frequency of operator requests for rate increases and therefore, of the lengthy and sometimes acrimonious public hearings required to adjudicate them. Financial and economic pressures have also led to the failure of several large taxi operations with severe areawide service interruptions in consequence. Even where operators do not fail, cutbacks in taxi service may be experienced as operators in a highly concentrated market curtail output to reduce costs. These various conditions have prompted local regulators to re-examine the purposes and content of their taxi regulatory policy.

The impulse to taxi regulatory revision (or reform) has typically expressed some version of the following goals:

1. to distance the city or county council from time-consuming public hearings and politically-sensitive regulatory issues, such as rate-setting; and

2. to remove institutional barriers to the development of new service types and rate structures.

Frequently, these objectives are explicitly stated in terms of free-market economic theories, that is: to remove exclusionary, protective or even monopolistic regulation and to encourage service innovations and free-market pricing by stimulating competition.

Regulators have generally settled upon some form of open entry and rate setting as their means to these ends. This includes relaxation of previous restrictions on new taxicab permits--typically a permit ceiling (often population-based) and a demonstration by the applicant that public convenience and necessity require additional taxi service. Open rate setting means replacement of the previous standard taxi rate of fare with a variable pricing policy, sometimes under a ceiling, and more or less limiting the rate structures operators may offer and the frequency with which they may change their rates. Some such changes have been adopted by city and county councils in Seattle, Washington, Portland, Oregon and Oakland and Berkeley, California, in addition to San Diego.

Typically, too, the revised regulations have included stiffer requirements for vehicle safety and meter inspections. They may prohibit unaffiliated small owner-operators or require radio-dispatching, exterior rate posting and driver identification cards to maintain operator accountability. The primary thrust, in sum, has been to remove barriers to price and service competition while attempting to preserve or improve service standards.

1.2 CASE STUDY REGULATOR OBJECTIVES AND OPPONENT VIEWS

1.2.1 San Diego Regulator Objectives

The taxi regulatory revisions adopted by the San Diego City Council have two major elements: open entry and variable pricing. The previous public convenience and necessary certification requirement has been

replaced by a permit process administered by city staff, who also maintain operator rate filings. New permits may be issued up to an established maximum per month and operators are permitted to file individual rates, previously under an established ceiling (now removed). The major thrust of these changes has been to facilitate entry into the local taxi industry and improve administrative ease consonant with the following objectives:

1. to improve areawide taxi service coverage and encourage service and pricing innovations by removing regulatory barriers to competition
2. to relieve the Council of the burdens of setting taxi rates and evaluating need for service in response to requests for rate increases and new permits
3. to reduce the city's dependence on a large operation in a concentrated industry structure

City staff emphasized the potential for code changes to improve service. They predicted that increased competition would generate more service, especially to outlying areas, and encourage diversification and innovation. Shared-ride taxi service was a particular objective which was effectively prohibited under the old ordinance. In this connection, city staff suggested that zone-based fares for shared-riding would offer substantial savings to consumers and that competitive pricing could retard the steady increase in taxi rates.

1.2.2 Local Opponent Views

Opposition to the regulatory changes came from existing taxi operators, including both multi-certificated firms and many of the original independent owner-operators who had obtained their permits in the wake of the 1976 strike. These operators argued that taxi demand had been declining for several years and was currently insufficient to sustain additional

suppliers. They predicted deteriorations in service as new operators congregated at the airport and other high-demand stands. Increased competition, they contended, would only produce a return to the cut-throat tactics, customer abuses and taxi driver violence of the 1920's and 1930's.

Open entry was more controversial than rate revision. The majority of the multi-certificates had asserted the need for a rate increase prior to adoption of variable pricing. Although early in the public discussion phase, the independents claimed that they could continue at the 1977 rate, none objected to the new maximum rate policy.

1.3 SMD INTEREST IN TAXI REGULATORY REVISION*

The Urban Mass Transportation Administration's (UMTA) interest in taxi regulatory revision stems from the taxicab's potential as a complement or even an alternative to conventional fixed-route transit. Since modifications to existing taxi regulations are frequently a prerequisite to such service developments, these revisions represent an important new topic of research within the Service and Methods Demonstrations (SMD) Program. Prior to the case study evaluations of taxi regulatory revisions in Seattle, Portland, and San Diego, there had been no rigorous studies of the nature and scope provided by these efforts. Since the inception of these projects, the SMD Program has also undertaken case studies of taxi regulatory revisions in Oakland and Berkeley, California, and a retrospective study of revisions which were adopted in Indianapolis in 1973. In addition, an SMD demonstration in Dade County, Florida will provide a further opportunity to examine the impacts of taxi regulatory revision.

*Much of this section was adopted from B. Spear, et al., SERVICE AND METHODS DEMONSTRATION PROGRAM REPORT, Transportation Systems Center, December 1981, US DOT, UMTA-MA-06-0049-81-12, p. 150ff.

1.4 EVALUATION PROCESS AND DATA COLLECTION PROGRAM

The essence of the evaluation process consists in comparing characteristics of the taxi industry, taxi operations, and travel behavior prior to and following the regulatory revision. In order to ensure that the methodology and findings will be as consistent as possible across sites to facilitate cross-cutting comparisons using combined data, the taxi regulatory revision case studies are being structured according to a framework developed by Transportation Systems Center.*

1.4.1 Evaluation Framework for Taxi Regulatory Revision Case Studies

The case study evaluations of taxi regulatory revisions have two major objectives: (1) a thorough documentation and analysis of the regulatory changes process; and (2) an assessment of the impacts of the changes on operators, travelers, and regulators. Specific impact issues to be examined include the effects of the regulatory revisions on the composition and fluidity of the taxi industries and operating practices; the quality, quantity, and price of services; operating efficiency and productivity; and the administrative costs associated with regulation.

Evaluation of these impacts is structured in accordance with principles of supply-demand analysis. On the supply side, this means examination of the nature and magnitude of changes in operator behavior along dimensions such as entry and exits, pricing practices, service offerings, and operating practices. On the demand side, it includes analysis of changes in traveller behavior in terms of mode choice, taxi trip frequency and timing, and destination choice decisions. The interaction of supply changes and demand responses produces a new level of supply and demand which is reflected in measures of service utilization, revenues and productivity statistics.

*Carla Heaton, "Evaluation Design for Taxi Regulatory Revision Case Studies," Transportation Systems Center, Staff Study No. SS-24-U.3-175, US DOT, September 1979.

Equally important is to study the process by which the regulatory revisions are implemented. By documenting the political, legal and institutional barriers encountered by local governments in changing their taxi ordinances and how they have dealt with them, the SMD program seeks to transfer valuable insights to other localities which may be contemplating similar actions.

1.4.2 Evaluation Issues

The following research questions and hypotheses were identified for investigation in the San Diego case study.

1.4.2.1 Supply Issues - Supply issues include changes in taxi industry size and structure, effects on operating and pricing practices, effects on level of service, effects on taxi operator productivity and economics, and effects on operator attitudes.

a. Changes in Taxi (Jitney) Industry Size and Structure - The advocates of open entry argued that there was demand and capacity for new taxi permits which was being denied by the closed entry policy. Once the market became saturated and there was no more capacity for additional suppliers, new permit applications would cease.

1. What are the aggregate changes in taxi industry size?
2. How does the rate of new entry vary over time?
3. When does the demand for new taxi permits appear to peak and/or begin to drop off?
4. Does the taxi industry become more fluid as a result of open entry?
5. What are the changes in taxi industry composition and structure?
6. How are permits re-distributed among new versus veteran or larger versus smaller operations?
7. How does the rate of exit vary over time?

8. How are exits distributed among different operation types?
9. What, if any, new organization types are observed?

b. Effects on Taxi Pricing and Operating Practices - Regulators anticipated that variable pricing would produce a range of taxi rates and pricing innovations for exclusive ride and other services, and that it would tend to hold taxi prices down. While many taxi operators welcomed the opportunity for a rate increase, some of the smaller firms predicted that variable pricing would allow the older, larger firms to undersell them in order to drive them out of business.

1. How do rates for exclusive ride services vary among different company and operator types following variable pricing?
2. Do any new rate structures or other pricing innovations appear?
3. What has been the increase in the weighted average rate for exclusive ride service since regulatory revision?
4. How does this rise compare with that of the local CPI and with the rate of increase prior to regulatory revision?

Questions of operating practice considered here include operator association types, lease versus employee arrangements, dispatching practices, geographic or service type specialization, use of cabstands and service innovations.

c. Effects on Level of Service - The regulators anticipated that licensing additional suppliers in a competitive market would result in increased spatial and temporal availability of taxi services. Existing operators argued that small firms could not provide round-the-clock or citywide service, but would concentrate on the airport and other lucrative stands, "skimming the cream" off the taxi business. As competition

increased for a limited number of trips, moreover, all types of operations would try to reduce costs by limiting cruising. Vehicle maintenance would be one of the first items to be deferred.

1. What is the change in aggregate in-service miles, days and hours?
2. What is the change in vehicle utilization rate among different company types?
3. Do shift lengths change and/or vary among different operator types?
4. Is there a change in the distribution of days and hours in service by company type?
5. Is taxi service increased to areas previously under-supplied?
6. Is there a change in passenger wait times (for telephone and stand-hail trips)?
7. How does the age of vehicles in the fleet vary over time?

d. Effects on Operator Productivity and Economics - While the code revisors maintained that there was sufficient market capacity to sustain additional suppliers, many taxi operators held that increased competition would mean lower shift productivities and declining revenues.

1. What are the changes over time in total trips and meter revenues per shift, per hour, and per cab among different operator types?
2. What are the changes in paid miles per total miles per shift and per hour?
3. What are the changes in occupied and total hours per shift and per cab by operator type and vehicle occupancy?

1.4.2.2 Demand Issues - Demand issues include estimation of changes in aggregate taxi ridership, taxi user profiles, taxi travel behavior, and taxi trip characteristics since open entry and competitive pricing.

a. Changes in Aggregate Ridership - Some of the regulators asserted that increases in taxi service supply would induce increases in taxi ridership. Many taxi operators tended to view the taxi market as finite and elastic, contracting further with each price increase. They argued that open entry would only serve to spread the limited existing demand over a larger number of suppliers.

b. Changes in Taxi Passenger Profiles and Travel Behavior - Increases in total, geographic or temporal taxi service supply appeared to offer the potential for new service types and price competition which would make taxi service more available for certain ridership groups. Similarly, increases in taxi service types and price competition might induce higher taxi use frequencies or changes in taxi trip characteristics.

c. Changes in Taxi Traveler Attitudes - Both the industry and the regulators realized that passenger awareness of changes in taxi supply and prices was essential to the success of the new regulatory environment in achieving increases in taxi supply and service innovations.

1. Are travelers aware that different taxi companies charge different rates?
2. Do taxi users comparison-shop among taxi services? How and why or why not?
3. How do passengers rate the overall quality of taxi service and that of specific service attributes since open entry?

1.4.2.3 Institutional/Administrative Issues - The administrative ease and institutional feasibility of regulatory revision as well as the costs of implementing the new code provisions are of interest for their transferable implications to other regulatory locales.

a. Administrative Ease and Institutional Feasibility - Regulatory revision was intended to reduce Council involvement and staff time needs and to eliminate the need for frequent public and Council hearings in taxi matters.

b. Costs of Regulatory Revision - While Council and administrative staff involvement in taxi matters might be reduced, open entry could also result in increased public costs due to added enforcement and safety inspection requirements for more vehicles. Time commitments for clerical and support needs might also increase depending upon the volume of permit applications and rate filings. On the other hand, licensing more vehicles will produce more permit revenues.

1.4.2.4 Related Effects - The related effects considered here chiefly concern interjurisdictional conflicts which arose as a result of the changes adopted by the City of San Diego and how these conflicts were resolved.

1.4.3 Organizational Roles in the Evaluation

Transportation Systems Center (TSC) is responsible to the Urban Mass Transportation Administration (UMTA) for the conduct of evaluations performed within the Service and Methods Demonstration (SMD) Program. The City of San Diego Paratransit Administration (P/TA) was the local UMTA grant recipient responsible for carrying out the evaluation data collection program. City staff also provided liaison to local events and issues potentially affecting evaluation findings. De Leuw, Cather & Company serves as TSC's evaluation contractor.

1.4.4 The Data Collection Program

The San Diego taxi regulatory revision evaluation data collection program was designed to provide for comparisons of taxi industry and operating characteristics and passenger travel behavior over time since adoption of the code changes. The innovativeness of the data collection program should be noted; comprehensive taxicab operating and passenger statistics had rarely been targetted for in-depth evaluation before.

The scope of the data collection program required design of some novel field survey and observation techniques. Some data items were collected at specific points in time and others were monitored continuously. Three rounds of on-board taxi passenger profile surveys (PPS) were conducted, as well as separate surveys of taxicab response times to telephone requests (RTS) and taxi stand activity (SHS). One month's taxi trip sheets were sampled from each of two "after" years to provide for comparison with operating information previously summarized by the city in preparation of its annual rate review. Taxi operator rate filings and permit records were monitored and tabulated continuously throughout the evaluation. Ongoing liaison with local industry members was essential to achieving the evaluation's data collection objectives. The local taxi industry was generally very cooperative and personal interviews with taxi operators conducted throughout the evaluation provided a rich data source.

The chronology of the regulatory revisions was documented and their implementation monitored during the first half of the evaluation. This phase also included comprehensive documentation of pre-regulatory revision taxi industry and ridership characteristics from available data sources. The reader is referred to Taxi Regulatory Revisions in San Diego: Background and Implementation, UMTA-MA-06-0049-80-16, for this documentation as well as a point-by-point comparison of the old and new codes and copies of all of the ordinances and regulations.

Figure 1-1 depicts the relationship between the schedule of data collection activities and key regulatory/administrative events. The major recent events affecting responses to open entry and competitive pricing in the City of San Diego are the Port's restrictions on airport taxi permits and rates adopted during late 1980 and early 1981. Sharp increases in San Diego County taxi permit fees adopted in mid-1980 should also be noted. San Diego Trolley service between downtown San Diego and the Tijuana/Mexico border was initiated in late July 1981,

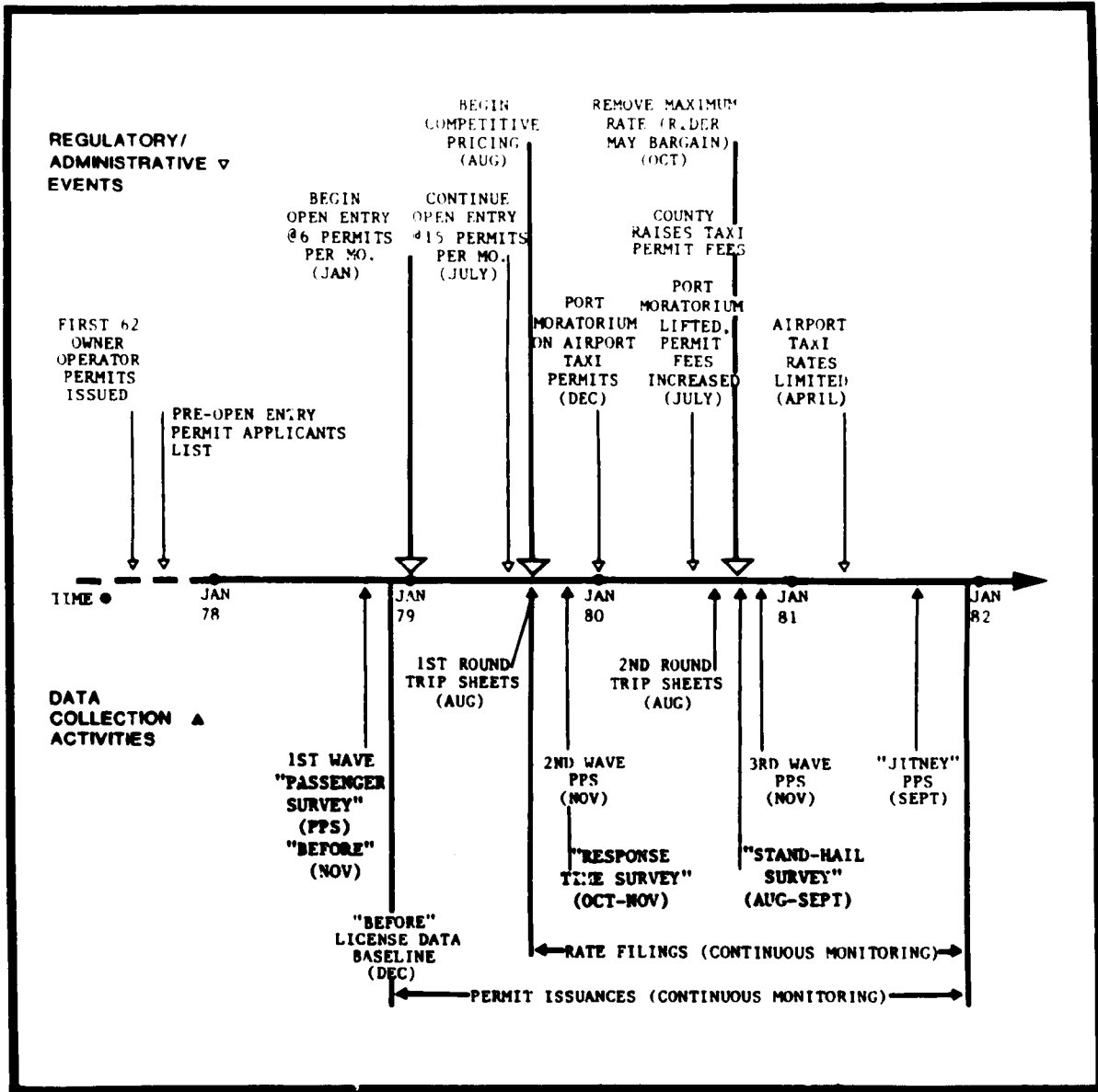


FIGURE 1-1 RELATIONSHIP OF REGULATORY/ADMINISTRATIVE EVENTS AND DATA COLLECTION ACTIVITIES

following completion of all major data collection program items. Its operations likely affect ridership on vehicle-for-hire-type border services more than that on taxicabs, although some other tour-type runs (termed "jitneys" in San Diego) may also be affected.

1.4.5 Data Limitations

A variety of data limitations potentially affecting results reported in this evaluation should be noted. Commencement of the evaluation data collection program after the onset of regulatory revision precluded "before" data collection of several items, such as comparable taxi stand and response time observations. Available data sources describing pre-open entry conditions are referred to insofar as possible to enable before and after comparisons. There is a general lack of reliable and representative operator financial information to provide for analysis of taxi operator investment decisions and profitability. The city required submission of monthly financial information under the previous ordinance but ceased to do so with competitive pricing. City staff have questioned the reliability of the historical data in any case.

Although the city continues to require maintenance of taxi driver trip sheets and their submission on request, the growing trend toward lessee-drivers and owner-operators is affecting operator practice such that trip sheets are becoming progressively incomplete or actually unavailable. The data collection program attempted to control the potential threat of measurement error by obtaining the largest possible sample sizes of trip sheets in all cells in both years and by enlisting operator cooperation in interpreting them. Direct adjustments to the data were also applied as necessary (see Appendix A for details).

The lack of continuous entry into and exit from the taxi industry in San Diego prior to the code changes obviated the city's need for continuous permit monitoring procedures. Time lags between initiation

of open entry, early permit issuances and establishment of ongoing monitoring and recording procedures produced some inconsistencies in data reported from different city departments. These have been resolved through exhaustive cross-referencing and checking between sources. Similar difficulties plagued organization and reporting of operator rate filings.

1.5 Organization of this Report

This report is organized into eight primary sections. Following this introduction is a brief discription of the case study setting and then an overview of the regulatory changes adopted in San Diego. Section 4 describes changes in taxi service supply; Section 5 treats taxi demand and travel behavior; Section 6 presents effects on taxi operator productivity; and Section 7 deals with taxi regulators. Section 8 presents evaluation conclusions and the transferable implications the San Diego case study suggests for other regulatory agencies and localities.

2. CASE STUDY SETTING

The following section gives a brief description of the physical, demographic and infrastructure features of the case study setting. Greater background detail as well as a full description of the local taxi industry prior to regulatory revision are to be found in the project interim report.* Figure 2-1 presents a base map of the region, locating major transit and highway arteries, the San Diego International Airport and the sites of the area's principal military installations.

2.1 GEOGRAPHY, POPULATION AND EMPLOYMENT

San Diego County is situated in the southernmost part of California, extending to the Baja California and Mexican border. It is bounded on the north by coastal hills and mountain ranges, on the east by desert, and on the west by the Pacific Ocean. Composed of 15 municipalities and an unincorporated area, with an overall population of 1.86 million people,** the county has a land area of over 4000 square miles, and an average density of over 450 persons per square mile. The City of San Diego, with a population of 875,500 in 1980, ranks as the second largest city in California. The San Diego region has been among the most rapidly growing metropolitan areas in the United States, increasing its population at an average annual rate of four percent over the past 25 years. The region's number of housing units has increased 60 percent since the 1970 census. Most of this growth has occurred in the relatively less-populated North County and Northeastern city areas of the region.

The relative sizes and locations of special population groups--such as the elderly, ethnic minorities and the military--are of special interest in relation to demand for taxi service. The regional proportion of persons sixty years of age or older is also growing. The 1975 special census counted 204,000 elderly persons in the region, or nearly 13

*U.S. DOT, op. cit.

**San Diego Association of Governments, "1980 Census Population for Census Tracts and Subregional Areas, Census Data '80, Dec. 1981, No. 2.

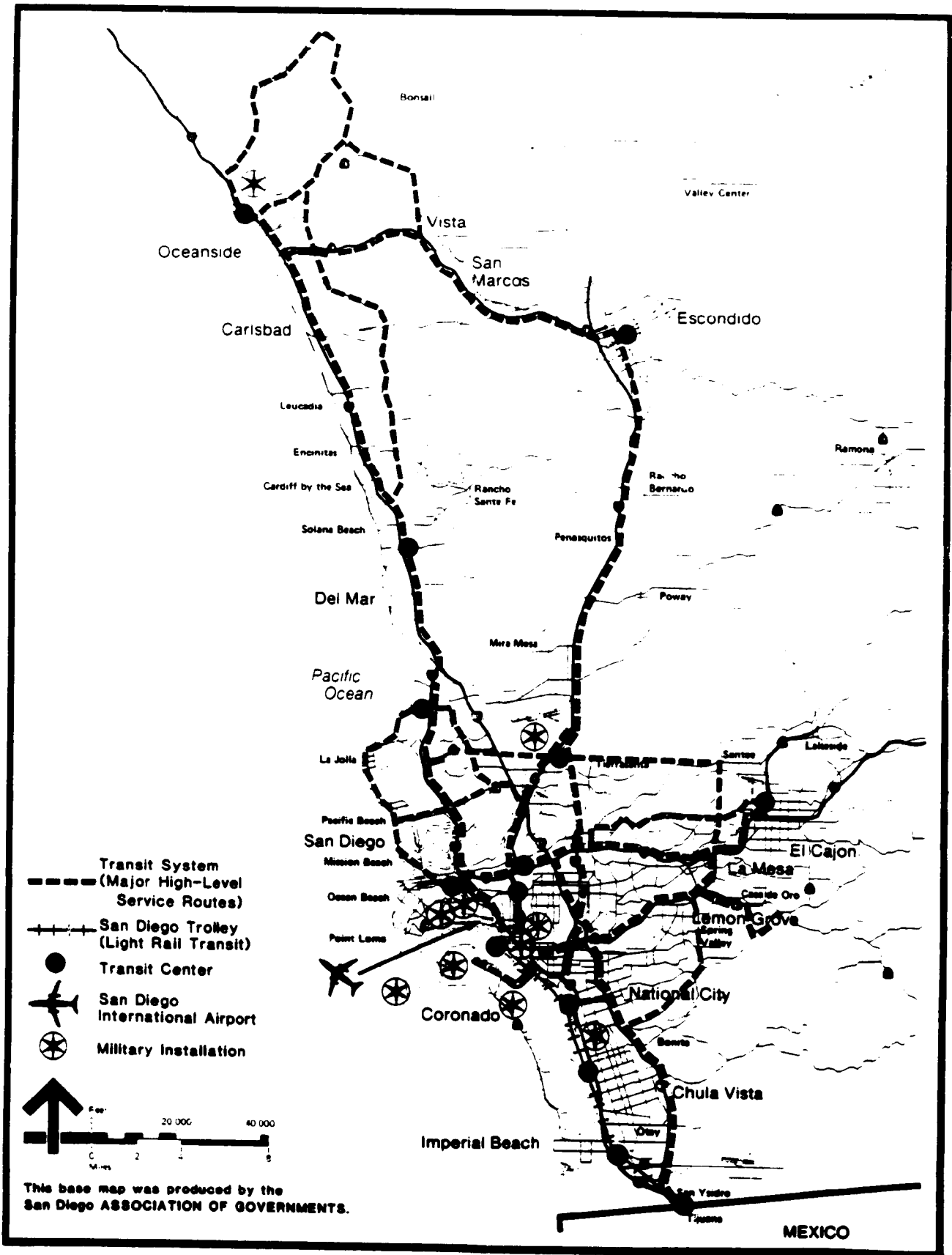


FIGURE 2-1 SAN DIEGO AREA TRANSPORTATION SYSTEMS AND ACTIVITY CENTERS

percent of the total, as compared with 166,000 or 12 percent of the regional population in 1970.* Elderly persons live throughout the San Diego region, with concentrations in Chula Vista, the coastal and peninsula areas, El Cajon, Escondido, Vista, Oceanside and especially the City of San Diego.**

According to 1980 census reports, non-whites make up just under 20 percent of residents in the greater San Diego region.*** Several specific areas have much higher concentrations of ethnic and racial minority populations, however. Central San Diego is 26 percent non-white, while 22 percent are of Hispanic origin. The population of Southeast San Diego is 35 percent black and 39 percent white, while 24 percent report themselves as Hispanic. The South Bay is reportedly 40 percent Hispanic.

The San Diego region is a prominent coastal area and has a number of large military (predominantly naval) installations: eight facilities are located in the City of San Diego; Camp Pendleton Marine Base is located in the unincorporated area above Oceanside, and Coronado is the site of a Naval Amphibious Base. Military inservice population numbered 122,300 or 7 percent of regional population in 1978.†

Centre City San Diego is the major employment, cultural and financial center of the region, accounting in 1978 for 61,800 jobs, or 14 percent of City of San Diego employment and 8.5 percent of regional employment.†† The City of San Diego overall provided 431,400 jobs in 1978, or 58 percent of regional employment.††† Manufacturing and retail trade have traditionally been the most important employment sectors in nearly all of the cities in the region, accounting for from one-third to one-half of total employment. Regional employment sectors showing significant growth during the past decade include banking, business and legal

*Later figures not yet available.

**Robert F. Casey, San Diego Wheelchair Accessible Bus Study, Transportation System Center, US DOT, UMTA-MA-06-0049-77-8, September 1977, p. 3.

***SanDag, op. cit.

†Comprehensive Planning Organization (CPO, Now SanDag) Series V Forecasts; no later data available.

††CPO, "Info '78," No. 3, September 1978, p.5.

†††Ibid., p.4.

services, eating establishments, utilities, wholesaling, construction and the federal government. Military employment has declined since 1972.*

The region's largest private office buildings are located in Centre City San Diego and nearby Mission Valley. Major industrial parks are chiefly clustered north of the City's new Highway 15. Major retail centers are distributed along the highways throughout the region.**

2.2 POLITICAL JURISDICTIONS AND RESPONSIBILITIES

Principal jurisdictions within the San Diego region are the County, the City of San Diego, the fourteen smaller municipalities, and the Unified Port District. The San Diego Association of Governments (SanDag) formerly CPO (the Comprehensive Planning Organization) and the Metropolitan Transit Development Board (MTDB) are the key agencies in regional transportation planning.

2.2.1 San Diego County

The San Diego County is governed by a five-member Board of Supervisors elected by district for four-year terms. The County has jurisdiction over the unincorporated areas. It operates its own planning and transportation departments, the latter providing staff services and follow-up efforts on taxicab regulatory revisions to the Board. Licensing, inspections and maintenance of files relating to taxis are handled by the County Sheriff's Office, which also licenses taxi drivers for the various municipalities. The County is a member of SanDag's Council of Governments.

2.2.2 City of San Diego

The City of San Diego has a City Manager type of government under a Mayor and an eight-member City Council elected at large and nominated by

*Ibid., p.1.

**CPO, "Info '78," No. 1, July 1978.

district. The city sends three representatives to the San Diego Port Commission and one representative to SanDag. In 1978, the City dissolved its transportation department, dividing its responsibilities between various City Managerial departments. The Paratransit Administration, within the Financial Management department under the City Manager's office, has the authority to qualify, issue, and revoke taxi permits, accept taxi rate and route filings, and validate insurance certification. It shares oversight of taxi operator compliance with regulatory code provisions with the Police Department, which performs taxi vehicle inspections and issues the physical medallion.

2.2.3 San Diego Unified Port District

The San Diego Unified Port District administers its public trusteeship over the 2500-acre San Diego Bay tidelands. Facilities under the Port's jurisdiction include Lindbergh Field, the San Diego International Airport, and the extensive tourist and recreational facilities along the San Diego waterfront. The seven-member Board of Port Commissioners is appointed by their respective City Councils to four-year terms. San Diego sends three members to the Port Commission; the remaining four come from the bayfront or coastal cities of Imperial Beach, Chula Vista, Coronado, and National City. Port Commissioners serve gratis. The Port District operates its own Harbor Police Force which has full licensing and enforcement authority over tidelands taxi operations, including the airport.

2.2.4 San Diego Association of Governments (SanDag)

SanDag, the metropolitan planning organization and council of governments in the San Diego region, is a joint powers agency of the County and its fifteen incorporated cities. SanDag's Board of Directors, a 32-member body of locally-elected officials including representatives of Caltrans and Tijuana as ex-officio, non-voting members meets regularly to assure overall, areawide planning for the San Diego region. As the

State's designated regional transportation planning agency, SanDag is responsible for administration of Transportation Development Act (TDA) funds and for developing and endorsing the annual regional transportation plan and transportation improvement program, as well as other planning work programs. These efforts are accomplished in accordance with State and Federal regulations and in conjunction with other agencies, under a memorandum of understanding between SanDag, the Metropolitan Transit Development Board (MTDB), and the state through the California Department of Transportation (Caltrans).

2.2.5 Metropolitan Transit Development Board

The Metropolitan Transit Development Board was established by the State Legislature in 1974 for the purpose of researching and implementing an applicable and cost-effective, state-of-the-art light-rail transit system, the San Diego Trolley, described in section 2.3.4 below. It has jurisdiction over an area approximating the southwestern metropolitan portion of the County, including the entire City of San Diego, La Mesa and El Cajon to the east and National City, Chula Vista, and San Ysidro to the south. MTDB is responsible for direction of approval of TDA funding requests and fixed-guideway (light-rail) transit and related short-range planning within its jurisdiction. These responsibilities include recommendation and approval of transportation systems management (TSM) projects and a Transportation Improvement Program (TIP) for the MTDB area, as well as planning for integrated transit system measures in cooperation with San Diego Transit Corporation (SDTC), the City's transit operator and SanDag. The MTDB Board comprises seven locally-elected officials and a San Diego County resident appointed by the Governor.

2.3 TRANSPORTATION CHARACTERISTICS

Transportation needs within the San Diego region are served by aviation, heavy and light rail, highways and roads, buses, taxicabs, and other paratransit operations. The major facilities are described briefly below.

2.3.1 Airport

The region's airport system includes one major commercial facility, Lindbergh Field, the San Diego International Airport, and a variety of smaller facilities, including twelve publicly-administered general aviation airports, four military facilities, and about twenty-six private airport, heliports, and emergency strips. Some 6.5 million passengers and 28 thousand tons of cargo passed through Lindbergh Field in 1979. SanDag projects passenger volumes to increase to 13.2 million annual passengers by 1995, considerably lower than the preliminary 23 map "base line" forecast prepared by the State Division of Aeronautics.* Nonetheless these projections imply need for additional facilities and highway access if air operations are not to be constrained. A new West Passenger Terminal was added at Lindbergh Field in July 1979 and currently handles about half of airport traffic. This terminal is specifically designed to accommodate wide-bodied aircraft. The older, East Terminal is scheduled for various physical improvements in coming years. Alternative commercial facility sites are being investigated, since Lindbergh Field's departure and arrival paths over highly urbanized areas pose noise and safety problems as do site constraints on runway areas.

2.3.2 Railroad

The San Diego region is served by two railroads; the Atchison, Topeka, and Santa Fe Railway (Santa Fe), and the San Diego and Arizona Eastern (SD&AE) Transportation Company, owned by the Metropolitan Transit Development Board and operated by Kyle Railways (a company which operates several short-line railroads in California).

The only intra-regional rail passenger service in the region is provided by the National Rail Passenger Corporation (AMTRAK), operated by the Santa Fe using AMTRAK equipment. The San Diego-Los Angeles corridor is the second most heavily traveled train route in the country,

*SanDag, 1980 Regional Transportation Plan, Nov. 1980, p.89.

exceeded only the Washington-New York-Boston corridor. The 1979 total ridership of 1.2 million passengers represents an increase of 150 percent compared with 1976. Average monthly ridership during 1979 was 98,000 passengers. The service consists of seven round trips daily; four are part of the basic AMTRAK system and three are co-sponsored by CALTRANS and AMTRAK. CALTRANS and AMTRAK recommend addition of one more round trip daily, to be jointly funded by CALTRANS and AMTRAK.*

The restored Santa Fe Depot located in downtown San Diego serves as a major multi-modal transportation center shared by AMTRAK, Mexicoach (operating fixed-route service between San Diego and the Mexican border), the nearby San Diego Trolley terminus, taxicabs, and San Diego Corporation bus routes.

2.3.3 Highways

As of 1980 the San Diego highway system consisted of 272 miles of controlled-access freeways (a 40% increase since FY78**) and 11 miles are partially-controlled-access expressways. About 85 miles of new and upgraded freeways and expressways are planned to be added over the next 20 years. This represents about a 30% increase in highway mileage, while population is projected to increase by 42%, vehicle trips by 50% and vehicle miles of travel by 62%, although SanDag acknowledges these forecasts may be 10% high based on energy cost assumptions.*** Some 98% of total daily trips in the San Diego region are estimated to be made by automobile.†

2.3.4 Light-Rail Transit

The MTDB initiated operations of the San Diego Trolley (LRT) line between downtown San Diego and the international border at San Ysidro in

*Ibid., p.17, 97-98

**cf. CPO, Comprehensive Plan, Vol. 5, 1978, p.36.

***Ibid., p.76.

†SanDag transportation planning section, 1981.

late July of 1981. Eighteen stations (six with park and ride lots) are located along the trolley's 16-mile route which utilizes the pre-existing San Diego and Arizona Eastern roadbed. The Trolley runs seven days a week between 5:30 am and 8:30 pm. Headways are generally 15 minutes, and the one-way trip takes about 30 minutes.

The southbound trolley departs from the Santa Fe Depot and makes six Centre City stops spaced up to seven blocks apart; there is a special \$0.25 reduced fare within a 16-block Centre City zone along C Street. Automated ticket vending machines are located at all 18 stations to collect fares of \$1.00 one-way and \$0.40 for seniors and the handicapped. Ten-ride and monthly tickets are also available.

The light-rail project, nicknamed the Tijuana Trolley, was constructed at an estimated \$88 million funded entirely from local and state sources. Five trains of two cars with 64 seats each (or 512 seated passengers per hour) is current capacity service.* The SanDag Trolley Monitoring project estimates daily ridership at 11,200 riders.**

2.3.5 Bus Transit***

There are six public fixed-route transit operations in San Diego County with approximately 500 buses operating nearly 20 million annual vehicle miles and carrying about 35 million annual revenue passengers.

San Diego Transit Corporation (SDTC) is the primary operator, carrying about 78 percent of annual revenue passengers and covering 58% of total revenue miles. With 33 routes and 326 buses, SDTC provides service to over 1.2 million residents in a 385 square-mile area that includes eight cities and portions of the unincorporated area. SDTC has

*MTDB, "How to Ride the San Diego Trolley," Pand Transit Research Foundation of Los Angeles, Inc., "City and Suburban Travel," No. 202, March 1981, pp. 6-12

**SanDag Association News, Winter, 1982, p.10.

***SanDag 1980 RTP, pp. 59-60.

moved to eliminate lower-productivity routes in the past few years, however, and FY80 figures indicate a 2 percent drop in revenue miles and a 7 percent decrease in ridership since FY78.* Local planners estimate the total transit mode split at under 2 percent of daily trips. Nonetheless, SDTC has targetted a 35 percent increase in annual revenue ridership to meet air quality objectives by 1985, see Figure 2-2.**

The North County Transit District (NCTD) carries about 20 percent of revenue passengers and provides service to over 500,000 residents in six cities and sections of the North County in a 930 square-mile area. NCTD operates 30 routes and shows a 32 percent growth in revenue miles and a 50 percent rise in revenue passengers since FY78.

Fleet sizes, annual revenue miles, revenue passengers, and number of routes for the area's major systems for FY80 are presented in Table 2-1.

Table 2-2 presents statistics for the region's eight public demand-responsive operations which together provided 1.16 million revenue miles of service, carrying 505,000 revenue passengers in FY80. The major suppliers are the El Cajon Express and San Diego Dial-a-Ride operations, both of which show decreases in total ridership (10% and 14%, respectively) despite additional capacity, since FY78.*** Both the La Mesa Dial-a-Ride and El Cajon Express services are provided on contract by San Diego Yellow Cab Company.

Supplemental service for non-lift-equipped medical trips totalling about 80 trips per day is also provided by taxicabs. Four veteran fleet operations and one of the associations currently participate in this service.†

*cf. CPO, op. cit., Vol. 5, p.54

**Ibid., p.66.

***cf. CPO, COMPREHENSIVE PLAN, Vol. 5, 1978, p.54.

†San Diego Paratransit Administration staff estimate.

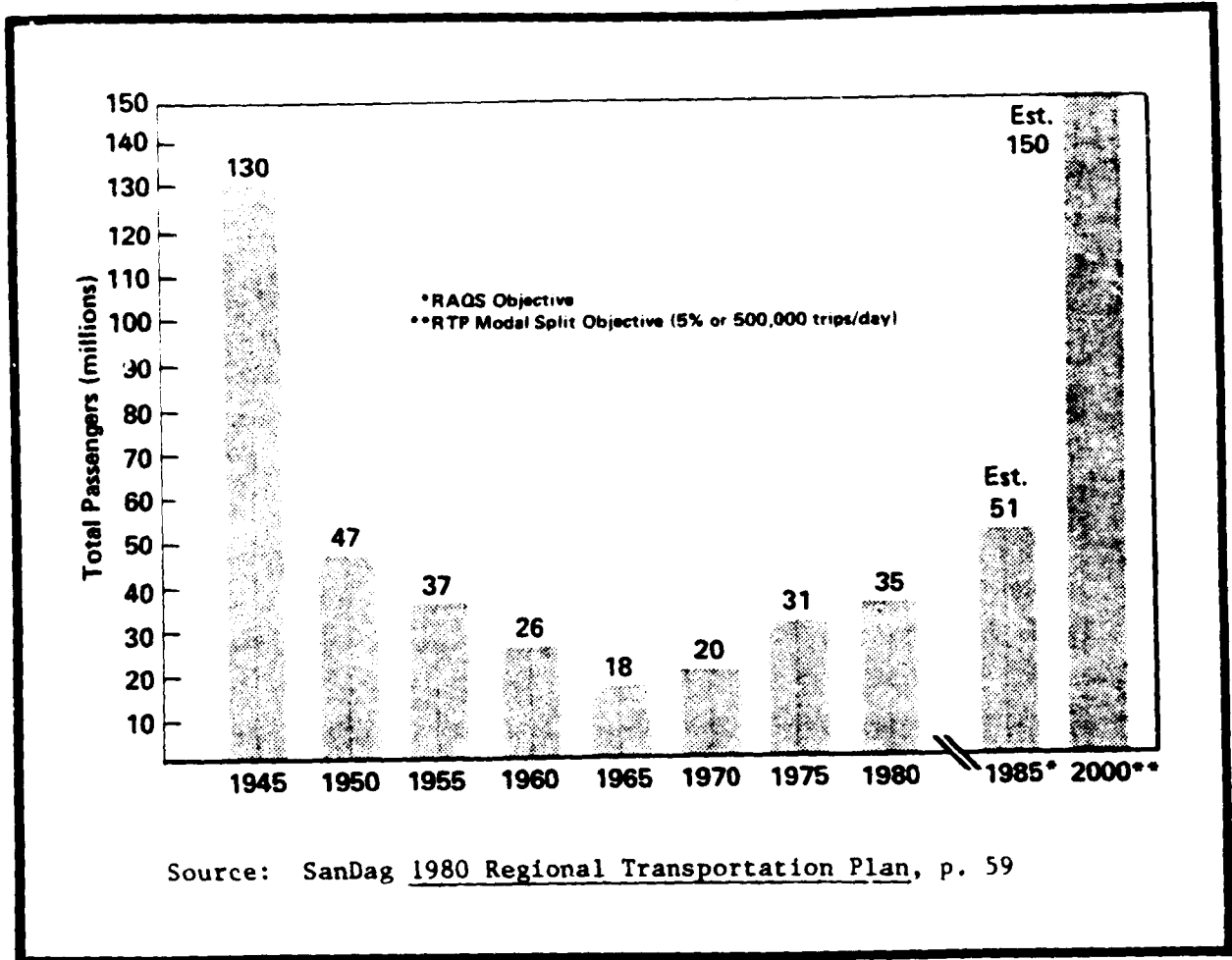


FIGURE 2-2 TRANSIT RIDERSHIP - SAN DIEGO REGION (1945-2000)

TABLE 2-1 FIXED ROUTE TRANSIT OPERATIONS IN SAN DIEGO COUNTY (FY1980)

Operator	Year Began	Number of Buses	Revenue Miles (Thousands)	Revenue Passengers (Thousands)	Number of Routes	Annual Operating Cost (Thousands)	Rate Fare	Express Fare	Monthly Pass (Local)
*SDTC	1967	126	11,454	27,341	33	\$ 30,501	\$.60	\$.75	\$ 27.00
***NCTD	1976	116	6,730	6,885	30	9,200	.50	1.50	15.00
*SCOOT	1970	12	501	484	7	913	.50	NA	NA
**STRAND	1980	4	22	10	1	81	--	.75	22.00
*NCT	1979	9	275	175	3	561	.50	NA	NA
**CTS									
-Suburban	1979	11	557	287	6	1,003	.50	NA	20.00
-Rural Bus	1975	7	105	12	9	145	.50-\$1.75	NA	NA
TOTAL		485	19,644	35,194	89	\$42,404			

*MTSB Service Area.
 **Non-Transit Board Area (some MTSB).
 ***NCTD Service Area.

Source: Sandag 1980 Regional Transportation Plan, p. 60

TABLE 2-2 PUBLIC DEMAND RESPONSIVE SERVICE (FY1980)

Operator	Date Began	Fleet Size	Revenue Miles	Revenue Passengers	Base Fare	Operating Budget	Comment
*El Cajon Express	1973	22	348,000	188,000	.75	\$ 411,000	
*La Mesa Dial-A-Ride	1974	7	246,000	123,000	.65	259,000	
*San Diego Dial-A-Ride	1975	21	400,000	138,000	.75/zone	596,000	e/h only
*Lemon Grove Dial-A-Ride	1979	3	16,000	13,000	.50	18,000	
**Coronado Dial-A-Ride	1979	5	13,000	10,000	.50	21,000	
*Handytrans Chula Vista	1979	4	41,000	13,000	.75	179,000	e/h only
*HEZLS (East Co.)	1979	4	54,000	5,000	.75	119,000	e/h only
***Lifeline (NCTD)	1979	4	40,000	15,000	.50	75,000	e/h only
TOTAL		70	1,158,000	505,000		\$1,675,000	

*MTB Service Area.
 **Non-Transit Board Area.
 ***NCTD Service Area.

Source: SanDag 1980 Regional Transportation Plan, p. 62

3. OVERVIEW OF THE REVISION PROCESS AND CODE CHANGES

This section presents an overview of the taxi regulatory revision process in San Diego and briefly summarizes the 1979 code changes for the reader's convenience. Subsequent code changes in San Diego and other jurisdictions are also discussed. A detailed chronology of events leading up to and surrounding the San Diego Paratransit Ordinance and a point-by-point comparison of the new and former codes in the city and county are presented in the project interim report.*

3.1 BRIEF OVERVIEW OF THE REGULATORY CHANGE PROCESS

Achievement of the 1979 Paratransit Ordinance was the culmination of a lengthy process of policy development and implementation. Variable pricing, zone-based and fixed-route service, and alternative entry proposals had surfaced over many years. Several key events punctuate development and adoption of the 1979 code changes, however. A scandal during 1969-70 over allegations of the former Yellow Cab Company's then-president that he had bribed City Council members to secure a 1967 rate increase was a precipitating factor. The drive to distance the Council from the politically sensitive rate-setting arena dates from this event. A strike by Yellow Cab drivers during late 1976 severely interrupted service during the holiday season and encouraged the issuance of independent owner-operator permits. Development and enactment in December of 1976 of Council policy 500-2 to raise the certificate ceiling and reduce the city's dependence on a single large operation by holding its certificates to one-half of the city total while providing a lower limit on independently-held certificates grew out of this crisis. The next two years witnessed numerous transitional proposals providing for additional entry and variable pricing.

*US DOT, op cit., UMTA-MA-06-0049-80-16.

Other participating factors included reports of taxi supplier discrimination against the minority-populated, Southeast area of the City. Also, the regional metropolitan planning organization, CPO (now SANDAG) began to focus on taxicabs as part of an integrated transit system, providing service to abandoned routes or as feeders from under-served or low-density areas. The potential for code revisions to achieve actual service improvements provided the sustaining impetus needed to secure Council concensus and commitment to regulatory revisions.

The last straw came in 1978, when San Diego Transit Corporation drivers threatened a strike which would shut down the region's transit system. The impending crisis moved the City Manager to urge the Council at mid-year to lift the new taxi certificate ceiling and begin issuing 12 new permits per month. The Manager's proposal also included replacement of standard fares with a maximum rate up to which taxi operators could charge what they wished and recommended that the public convenience and necessity certification requirement be replaced with a permit process.

In December 1978, on the strength of their general authority over taxicabs and in anticipation of the new Paratransit Ordinance, the Council amended Council Policy 500-2 to allow issuance of additional taxi certificates at the rate of six per month, and establish a floor under individual owner-operator permits at 15 percent of the city total. Certificates were to be issued one to each person in order on the accumulated applicants list dating from late 1976. Although many (primarily independent) operators had heralded the original issuance of owner-operator permits and most commended the variable pricing policy as providing much-needed rate relief, open entry was achieved against the protest of a majority of taxi industry members of all types.

The new Paratransit Ordinance standardizing regulation of all paratransit modes and codifying many of the Manager's remaining taxi regulation proposals became effective late in March 1979, after Policy 500-2 had already opened the door to new entry. It was followed in April with Council's removal of a year-old moratorium on auto-for-hire permits adopted in reponse to taxi operator allegations of unfair competition. During July, Council unanimously approved replacing the standard taxi rate of fare with a maximum, effective in August. A little over a year later and following several continuances, Council on October 30, 1980 removed the maximum and permitted customers to bargain for fares below the operator's posted rate which effectively thus becomes an individual maximum. A concurrent proposal to allow the issuance of multiple permits to a single applicant at a time was defeated.

3.2 SUMMARY OF THE NEW CITY REGULATIONS

Table 3-1 provides a summary comparison of the new San Diego Paratransit Ordinance with the former code provisions covering taxicabs and jitneys, discussed briefly below. The case study interim report includes copies of all applicable legislation and Council policies through mid-1980.* Appendix C presents copies of Ordinance 0-15429 (January 1981) codifying the new rate regulations, the City Manager's October 1981 report raising paratransit vehicle liability insurance requirements and copies of subsequent County ordinances discussed in section 3.3.

3.2.1 Provisions Covering Entry

The major changes governing issuance of taxi and other paratransit vehicle permits are four.

*Ibid.

TABLE 3-1 MAJOR TAXI/JITNEY REGULATORY REVISIONS IN THE CITY OF SAN DIEGO

<u>Issue</u>	<u>Former</u>	<u>Revised</u>
Permit Requirements:	Public hearing, City Council certification of Public Convenience and Necessity, Council Resolution Limit on total permits according to population ratio established by Council policy	Permit Process: City Manager, Paratransit Office, Rate of permit issuance determined by Council policy (first 6 then 15 permits per month)
Transfer of Permits:	Upon Approval of Council	Upon Approval of City Manager
Right of Appeal Upon Denial, Suspension or Revocation of Permits:	Not Specified	Written appeal to City Manager within 10 days
Procedure Upon Appeal:	Not Specified	Hearing (City Manager); Final resort is to Council's Transportation and Land Use Committee
Service Types:	Taxis, Sightseeing Vehicles and Automobiles for hire; latter category includes Fixed Route (Jitney) services	Five types of Paratransit Vehicles defined: Taxis; Vehicles for hire; Jitneys; Sightseeing vehicles; and Non-emergency medical vehicles <u>Taxicabs</u> authorized to offer exclusive ride, group ride, shared ride AND fixed route services
<u>Rates of Fare:</u>	Public Hearing on operator petition Council Resolution Taximeters required (City Manager)	Rates by type of service Public hearing (operator petition) Maximum rate (Council Resolution) up to which operators may charge individual rates removed 10/80 Operators must file rates (Paratransit office) Taximeters required
Jitney Rates:	Included under autos for hire Rates on a per capita, per hour, per mile OR per event basis	Rates on a per capita basis
Shared Ride Rates:	Meter to be reactivated after first passenger's destination.	Shall be charged on a per zone basis
Equipment and Specifications:	Taximeters required Identifying color scheme required Driver and vehicle identifying number to be displayed Two-way radio communication required by Council policy	Basically the same except two-way radio communication/dispatching capability required of all taxicabs operating under permits or certificates granted after October 31, 1976. Independents may use standard two-color scheme or individual colors 7/80

TABLE 3-1 (Continued). MAJOR TAXI/JITNEY REGULATORY REVISIONS IN THE CITY OF SAN DIEGO

<u>Item</u>	<u>Former</u>	<u>Revised</u>
<u>Operating Requirements:</u>		
Taxis:	Acceptance of additional passengers subject to approval of first (see Rates). No additional charge permitted unless second passenger rides beyond first.	Acceptance of additional passenger on approval of first for shared ride basis of operation --Fares to be charged on a zone basis --Maximum zone rates to be set by Council (removed 10/80) Fixed route taxi service permitted subject to conditions similar to those for jitneys
Jitneys:	Routes not specified	Fixed-route service on routes approved by City Manager Fixed routes <u>may</u> parallel transit routes Routes to be shown on vehicle
Public Liability:	Insurance by authorized carrier required Minimum amounts to be set by Council	Self-insurance permitted with Council approval Minimum amounts to be set by City Manager (raised 10/81) Standardization of liability insurance requirements for all paratransit vehicles
<u>Administrative Changes:</u>		
Application and Regulatory Fees:	Variable fees by vehicle type: Taxicab - \$200 Auto for hire - \$50 Sightseeing vehicle - \$200 plus \$50 for vehicles seating 20 or less passengers OR \$90 for vehicles seating more than 20 (\$25 Annual Business License Fee included)	Regularization of fees for all types of paratransit vehicles: \$100 Filing (Application) Fee \$110 Regulatory Fee \$50 Fee to petition for change in location of cabstand \$25 Annual Business License Fee

1. Issuance of new taxi permits up to a predetermined number every month whereas previously the total number of permits was limited by a ceiling (already reached) based upon population.
2. Issuance of taxicab permits to independent owner-operators, with a lower limit on the percentage of all permits to be held by such operators.
3. Replacement of the previous certification of public convenience and necessity administered through the City Council, with a permit process administered through the City Manager's Office.
4. Specification of an appeal process for recourse in case of denial, suspension or revocation of vehicle and driver permits.

Application is to the City Manager. Supporting documentation includes data to establish applicant's financial responsibility, number and type of vehicles owned and in operation and applied for, proposed rates of fare, type of operation and geographic or time limits if applicable. All applicants are subject to a criminal and traffic records check.

All taxicabs operating by virtue of permits issued after October 31, 1976 are required to be equipped with two-way radio communication and dispatch capability. No other qualification requirements are imposed.

3.2.2 Provisions Covering Rates

The 1979 changes incorporated two major provisions on taxi rates:

1. Replacement of the standard rate of fare with a maximum rate up to which operators may charge whatever they choose, and allowance for different rates for different types of services.
2. Establishment of regulations governing the filing of taxicab, shared-ride and fixed-route rates of fare.

Exterior rate posting was required in keeping with consumer protection and free competition.

The January 1981 ordinance amends the 1979 law by removing the Council-established maximum and positing an operator's filed rate as an effective individual maximum under which the operator may provide services at passenger request.

3.2.3 Other Provisions

The 1979 law also includes specific code categories for all paratransit modes with accompanying provisions to promote jitney and shared-ride services; standardization of applicable paratransit regulatory fees, liability insurance requirements and reporting procedures; and reassignment of various regulatory and administrative requirements.

The 1977 ordinance specifies that minimum amounts of liability insurance coverage required are to be determined by the City Manager. Under this authority, in late 1981 the City Manager raised the coverage limits. The previous limits were set at \$100,000 and \$300,000 for personal injury liability and \$50,000 for property damage. The new limits were established according to vehicle passenger seating capacities, as follows.

<u>Passenger Seating Capacity</u>	<u>Bodily Injury/Death One Person</u>	<u>Bodily Injury/Death On Accident</u>	<u>Property Loss Damage</u>
8 passengers, or less	\$250,000	\$ 500,000	\$100,000
9 to 22 passengers, incl.	250,000	750,000	100,000
23 passengers or more	250,000	1,000,000	100,000

3.3 INTER-JURISDICTIONAL ISSUES

Taxi regulations adopted by the City of San Diego are effective within the municipal boundaries of the city which includes Lindbergh Field, the San Diego International Airport (SDI). Thus city code changes impact directly upon airport taxi operations and since the airport is under the jurisdiction of the San Diego Unified Port District, the potential for inter-jurisdictional conflict is evident. San Diego County has traditionally cooperated with the city and the taxi industry by following the city's regulatory lead.

3.3.1 Lindbergh Field, San Diego International Airport

Taxi operators wishing to pick up passengers at Lindbergh Field must obtain a separate airport taxi permit from the San Diego Unified Port District. Before open entry, it was traditionally easy to obtain an airport sticker. Applicants were required only to possess a city permit and pay a small separate fee to the Port District: \$25 per cab per year, from 1968 through 1979. These requirements did not change with open entry in the city. Late in 1979, however, as a result of the large volume of new applicants for airport permits--airport pick-ups presenting the readiest source of potentially long-haul fares to unaffiliated independent operators--and given the problems attendant on a steadily increasing number of airport taxi operators, the port imposed a six-month moratorium on new ground transportation permits. Meanwhile, the port attorney determined that the city held primary jurisdiction for issuing and regulating taxicabs within the city boundaries and that the port would exceed its authority in attempting to limit taxi permit numbers or establish rates. City-Port cooperation was essential. A task force of City Council and Port Commission members was established to deliberate solutions to airport taxi problems.

On July 1, 1980, the moratorium was lifted and the airport sticker fee raised to \$100 per cab per six months (\$200 annually). Late in September 1980 and as a product of its deliberations with the city, the port released its suggestions for implementation. Airport taxi rates were to be limited to a range of +20 percent of the weighted average rate, with the city to recalculate and publish the new parameters quarterly. The added permit revenue was to be used to provide for full-time starters to administer the taxi queues and enforce airport regulations. The city codified the airport rate boundaries and its calculation of the weighted average rate in its January 1981 ordinance (see Appendix C). These rules officially went into effect at the airport April 1, 1981, but it was June before the starters were put into operation.

New procedures were subsequently adopted by the Port at industry suggestions to mitigate short-haul refusals. These provided for implementation of a card system to permit taxi vehicles taking short-haul trips and returning within a specified time limit, to come back to the front of the taxi queue. The Port continued through the last quarter of 1981 to deliberate enforcement procedures to suspend and/or terminate ground transportation permits for violations of airport taxi regulations as well as an appeals procedure for redress by the taxi industry.

These provisions were finally adopted by the Port Commission in Ordinance 955 on February 2, 1982 (included in Appendix C). In addition to the fee increases and rate restrictions provided by the city ordinance, this amendment to Article 5 of the San Diego Unified Port District Code designates appropriate taxi pick-up areas, prohibits queue-jumping, solicitation and service refusal, provides for comparison-shopping by passengers and specifies the following penalties for proven violations of these rules.

1. Permit suspension for ten days upon the first conviction.
2. Permit suspension for 60 days upon two convictions within 24 months.
3. Permit suspension for one year plus revocation without subsequent reinstatement upon three convictions within 36 months.

Despite taxi owner protests of the draft provisions, the temporary use of the permit and vehicle to which it is affixed are suspended regardless of whether the violator is the permit holder or an employee or lessee driver thereof. It is made unlawful for any such convicted person to operate any ground transportation service vehicle at the airport during the period of any suspension or revocation, nor may the vehicle to which the suspended or revoked permit is affixed be used during such period.

Within ten days after a conviction, the permit holder or operator of the vehicle or both may file a written request with the District Clerk setting forth the reasons why there should be no suspension or termination. Such request shall be placed on the agenda of a Port Commission meeting and duly noticed to the petitioner. A decision to review any such request requires approval by a majority of the seven Commissioners. An affirmative decision to review forwards the request for scheduling on a subsequent board agenda.

3.3.2 San Diego County

San Diego County regulates taxicab operations and licenses taxis to pick up in the unincorporated areas only. Although the county opened entry at about the same time the city did, there was no previous statutory limit on the number of county taxi certificates which could be issued. Indeed, demand for county certificates was traditionally low due to the low demand for taxi service from the less-populated areas. Some city-licensed operators obtained county permits in hopes of avoiding dead-head trips back to the city.* Although the county's code revisions

*Others reportedly continue to pick up fares in the county without a county license.

also provided for competitive pricing it initially imposed no maximum rate of fares but limited the frequency of operator rate changes to twice per year.

While the city targetted regulatory fees at one-half full recovery of regulatory costs as an incentive to entry, the county adopted no such stance. In mid-1980, moreover, the county increased its taxi fees more than three-fold in order to recover a larger percentage of the ever-rising costs of taxi regulation and administration. Annual fees for new licenses were increased from \$50 plus \$5 per permit for the first 10 vehicles and \$2 per permit thereafter to \$146 plus \$40 or \$27 per permit (depending upon whether the Sheriff had to perform the vehicle inspection or could accept that of one of the municipalities). Renewal fees were raised from \$50 plus \$5 or \$2 per permit to \$105 plus \$40 per permit (since an annual inspection was required).

The county fee increases were first codified in Ordinance 5931 (see Appendix C) adopted November 18, 1980, which extended the county's paratransit jurisdiction to include "jitney" vehicles and services in the unincorporated areas. The jitney ordinance was adopted as an urgency measure given the following factors:

1. The potential positive impact of public use of jitneys on air quality and energy conservation.
2. The previous lack of jitney services.
3. The impending holiday peak travel period.
4. Expressed desire among candidate operators to initiate jitney service.

Jitney vehicles were restricted to a 15-passenger capacity maximum. Jitney service was defined as operating between fixed termini over a regular route and generally on short, non-scheduled headways. Application for jitney permits was to the Sheriff's Division of Licenses with approval

of the proposed route assigned to the County Department of Public Works. Routes and schedules were to be maintained on file with both departments and any proposed changes applied for at least 30 days in advance. No ceiling was placed on either total number of jitney permits nor the rates of fare chargeable for jitney services. Rate changes were permitted up to four times per year, however, and interior rate posting was required.*

Ordinance 5931 also incorporated reasons for revocation or suspension of taxicab and jitney licenses, including fare abuses, operating without a license or along an unauthorized route or failure to operate in conformity with the approved schedule.

A revised schedule of safety and equipment items required as a vehicle condition precedent to licensing was also set forth. Conditions were stiffened for issuance, suspension and revocation of taxi and jitney driver identification cards and the applicable fees increased; operators were required to notify the Sheriff's department weekly of the name(s) and drivers ID card number(s) of all new and terminated drivers.

These changes were incorporated into Ordinance 5931 effective December 25, 1980, which specifies licensing procedures and the hearing and appeals process provided in the event of a license denial, suspension or revocation. A copy of the ordinance is included in Appendix C.

3.3.3 Impetus to Regional Taxi Regulation

As a result of the city and county's experiences with taxi regulatory revision, a number of the smaller municipalities in the region have expressed the desire to open entry or adopt competitive pricing. (Coronado and Chula Vista have already adopted a maximum rate of fare.) In keeping

*It should be noted that only one jitney carrier was subsequently licensed and that company ceased operations within a few months of service initiation.

with its focus on taxicabs as part of an integrated regional transit system and its part in the state-mandated coordination and consolidation of social service agency transportation, SANDAG has assumed the task of developing a model taxi ordinance. The ordinance as currently envisioned is to be based upon the licensing procedures adopted in the county's 1980 ordinance, with the open entry, shared-ride, jitney and rate provisions adopted by the City of San Diego. SANDAG seeks to establish one agency to centralize uniform licensing requirements, conduct investigations and issue a single, multi-jurisdictional permit under a single fee. (The fee would be set by this body which would also determine the proper split of revenues collected.)

4. CHANGES IN TAXI SERVICE SUPPLY

This chapter describes changes in a variety of taxi service attributes as a result of the new paratransit ordinance. Included are changes in taxi (and jitney) industry size and structure in the three principal jurisdictions affected, incorporating a detailed description of the process of entry and exit to and from the city taxi industry. Changes in local taxi fares and pricing practices are presented next, including the effects of differing city and airport policies and an appreciation of the results from the taxi passenger's point of view. Changes in taxi company operating practices follow, including association types, labor and lease aspects, dispatching procedures, and utilization of cabstands. Next are a variety of aggregate and disaggregate level-of-service measures such as total weekly shifts and hours of service supplied, average shift lengths and number of shifts operated per cab per day; implied changes in geographic service coverage; changes in the relative proportions of telephone-request, street-, stand-hail and airport-originating service; taxi availability in terms of wait times for telephone-requested service; and vehicle safety and comfort as represented by data on taxi vehicle ages.

A major emphasis in these discussions is the variation among different service attributes by company and operator type in order to identify the effects of open-entry-induced changes in industry structure on taxi service supply. The chapter closes with an attempt to interpret what these various supply changes mean from the taxi passenger's standpoint.

4.1 CHANGES IN TAXI (JITNEY) INDUSTRY SIZE AND STRUCTURE

4.1.1 City of San Diego

Prior to open entry, the City of San Diego had traditionally held a ceiling on taxi permits and none had been issued since 1969, when 36 certificates were approved, 28 to Yellow Cab and one each to eight

smaller fleets. This action brought the certificate total to 355, far exceeding the 232 which were permitted under the old ceiling of one certificate for each 3000 residents.* The bankruptcy of three smaller taxicab companies and a strike against Yellow Cab during 1976 -- followed by its bankruptcy -- severely interrupted taxicab service and prompted the City Council to issue new taxi licenses and to reserve 15 percent of all certificates to individual owner-operators.** A list of permit applicants composed chiefly of prospective individual owner-operators was compiled. During early 1977, and after Yellow Cab had resumed services under new ownership, the Council issued 72 licenses, two each to five existing fleet operations and 62 to individual owner-operators. No additional licenses were issued between then and January 1979 when open entry went into effect.*** The list of about forty remaining applicants requesting about 240 permits stood until then.

Table 4-1 compares the number and percent of City of San Diego tax firms and permits by company type for December 1978, before open entry began, through December 1981, three years into open entry. At the close of 1978, there were 68 taxicab firms, including 8 fleet operations (as well as two holding only limited city permits and not included in these summaries) and 60 single-cab firms. The industry was dominated, however, by a single large fleet, Yellow Cab, whose owner held 68 percent of all taxi certificates. The other 7 fleets operated from 5 to 15 cabs each and held 17 percent of the certificates. The 60 single-cab operations remaining from 1977 accounted for 15 percent of certificates.

*The San Diego population was 697,500 in 1970.

**The ceiling was lifted at this time to permit an additional license for each 1,500 residents over 700,000, allowing for about 70 new certificates.

***The project interim report, op. cit., documents the number and allocation of taxi certificates from 1929.

TABLE 4-1 SAN DIEGO TAXI FIRMS AND PERMITS BY COMPANY SIZE AND OWNER TYPE
AT YEAR'S END BEFORE AND SINCE OPEN ENTRY*

Company Size and Operator Type	Number of Firms(), Number of Permits and % of All Permits			
	December 1978	December 1979	December 1980	December 1981
Large Fleet: (Yellow Only)	(1) 280(68%)	(1) 280(57%)	(1) 281(44%)	(1) 281(37%)
Other Fleets: (4 cabs or more)				
Veteran Owners	(7) 69(17%)	(8) 86(18%)	(12) 152(24%)	(13) 173(23%)
New Owners		(2) 5 (1%)	(2) 13 (2%)	(9) 65 (9%)
Mini-Fleets: (2-3 cabs)				
Veteran Owners		(6) 14 (3%)	(12) 24 (4%)	(14) 31 (4%)
New Owners		(3) 7 (1%)	(16) 39 (6%)	(28) 65 (9%)
One-Cab Firms:				
Veteran Owners	(60) 60(15%)	(42) 42 (9%)	(30) 30 (5%)	(24) 24 (3%)
New Owners		(54) 54(11%)	(102) 102(16%)	(113) 113(15%)
TOTAL FIRMS AND PERMITS	(68) 409(100%)	(116) 488(100%)	(175) 641(100%)	(202) 752(100%)
Veteran Owners	(68) 409(100%)	(57) 422 (86%)	(55) 487 (76%)	(52) 509 (68%)
New Owners	-	(59) 66 (14%)	(120) 154 (24%)	(150) 243 (32%)

*Excludes limited permits; operator types are classified according to size and "veteran" (those who held a permit prior to open entry), and new (those who obtained their first permit since open entry). In order to show consolidation of permits by individual owners, operations having the same owner (regardless of company name) are grouped together in the classification of the resulting size.

Since open entry, the San Diego taxi industry has grown dramatically. Over the first three years the number of taxi permits increased 84 percent (from 409 to 752)*, while the number of taxi firms nearly tripled. As of December 1981 the permit total represented 0.86 taxi licenses per 1,000 of city population** compared with 0.56 certificates per 1,000 at the close of 1978. This is higher than average taxi license to population ratios calculated from data reported by Gilbert, et. al. for 741 U.S. cities, although comparable to that for thirty large cities alone.*** There has been a gradual consolidation of permits by both new and veteran permit holders in contrast to the early surge in single-cab operations. There is now a wider variety of operation types producing a basic change in industry structure.

With open entry, the city began to issue new taxi permits, beginning with the old waiting list. Permits were available to fleets and unaffiliated independents alike; there was no minimum vehicle requirement. Because of the waiting list, the large volume of new applicant demand, and Council-established limits on the number of permits which could be issued each month -- six permits a month between January and July 1979 and fifteen thereafter† -- the city restricted to one the number of permits a single applicant could obtain at a time. This policy aimed to ensure fairness among those who had applied for permits in 1976-77 and newer applicants.

*Excluding so-called "limited" permits which are limited to specific geographic areas, usually contiguous to the operator's primary non-city service area, and the issue of which was not traditionally limited by the permit ceiling.

**Calculated on a 1980 city population base of 875,500.

***Gorman Gilbert, Connie J. Garber and James F. Foerster, Establishing Innovative Taxicab Services: A Guidebook, USDOT, UMTA-NC-11-0005, 1977, p.13.

†These limits reflected P/TA estimates of the maximum permits it could issue in a month and served to preclude an incapacitating backlog. The P/TA was not required to issue this many permits, however, and procedural and other delays frequently produce a lower monthly issue.

P/TA adopted the following procedure for multiple-permit requests. After approval of a permit, the applicant's name with its remaining permit requests would be placed at the bottom of the current list and allowed to work its way up for the next permit, and so on until the complete request was met. Given the pre-existing waiting list, the new names continually added to it as open entry proceeded, and this approach, it generally took six to eight months to obtain a taxi permit. Thus most companies necessarily grew gradually.*

The first year following open entry (1979) witnessed large increases in the number of small operations. By year's end, as shown in Table 4-1, total permits had risen to 488 (up 19%) while the number of taxi firms** had increased to 116 (a 71% rise). These included two new fleet-sized operations as well as a burgeoning of "mini-fleets" of two to three cabs as veteran and new single-cab owners obtained additional permits. The number of single permit holders rose 60 percent (despite attrition from exits or transfers as well as of those acquiring additional permits and ascending in the structural hierarchy). Yellow Cab's share of all permits dropped to 57 percent.

The following year (1980) saw a somewhat lower 51 percent increase in total firms and a higher 31 percent rise in permits. That is, permits were being consolidated into multi-cab operations. Yellow Cab (which added only one permit) no longer held the majority but only 44 percent of all permits,*** while other fleets (from 7 to 28 cabs each) enlarged

*It was possible to obtain additional licenses by transfer and some companies used (and abused) this approach. No permit holder sought to transfer any sizeable group of permits before the latter half of 1981, however. Transfers are discussed in detail below.

**Individual firms, for purposes of this report, include distinct ownership entities. Occasionally a single owner will hold permits under more than one dba (firm name). All permits of a single owner are grouped together here in order to present the most accurate picture of industry structure.

***The Council had established with the 15% floor under owner-operator permits that Yellow Cab remain at its existing level until it held less than 50% of all certificates.

their permit share to 26 percent. Single-cab firms continued to represent a decreasing proportion of permit holders (75 percent) and showed only a minimal increase in their share of all permits (now 21%). In contrast, two- and three-cab mini-fleets tripled in number and share of permits as existing single- and two-cab owners acquired an additional permit.*

The consolidation of permits continued as industry growth slowed somewhat during 1981. The permit total (net of transfers and exits) increased by 17 percent (a little over half the rate of growth experienced during 1980). The number of firms increased only 15 percent. Most of the growth was among fleets (other than Yellow) and two- to three-cab mini-fleets. The industry proportion of single-cab holders declined slightly despite continuing new entry of single-permit holders as operators transferred their permits to larger entities, acquired a second or third permit, or burgeoned into fleets. The result to date is a much more diversified industry structure than that which existed prior to open entry.

4.0.1.1 Company Types Obtaining the New Permits - Table 4-2 shows the numbers of new (i.e., not renewal) permits issued to different sizes of taxi companies by operator type (veteran or new permit holder) and illustrates two major points. First, there has been a gradual shift in new permits from smaller to larger company types. Over two-thirds (68%) of all the permits issued during 1979 were to single-cab owners, owing both to the major presence of these applicants on the list from 1976-77 and to the one permit at a time rule. This proportion drops steadily over the next two years, to 45 percent in 1980 and to only one-quarter of all permits issued during 1981. The proportion of new permits issued to fleet-sized operations (4 cabs or more) rises from 14 to 38 percent, while that obtained by mini-fleets (2 or 3 cabs each) increases from 18 to 37 percent. By the end of 1981, there were twenty-two separate

*Termed "doubling" by local industry members.

TABLE 4-2 NEW TAXI PERMITS ISSUED BY COMPANY SIZE AND OPERATOR TYPE BY YEAR SINCE OPEN ENTRY

Company Size and Operator Type*	1979		1980		1981		Total	
	No.	%	No.	%	No.	%	No.	%
Yellow Cab (Veteran Only)	0		1	<1%	0		1	<1%
<u>Other Fleets (4+)</u>								
Veteran Permit Holders	10	13%	36	23%	25*	23%	71	21%
New Permit Holders	1	1%	11	7%	17	15%	29	8%
<u>Mini-Fleets (2-3)</u>								
Veteran Permit Holders	12	15%	23	15%	8	7%	43	12%
New Permit Holders	2	3%	14	9%	33	30%	49	14%
<u>One-Cab Firms</u>								
Veteran Permit Holders	1	1%	3	2%	1	<1%	5**	1%
New Permit Holders	53	67%	67	43%	27	24%	147	43%
<u>Total Permits Issued</u>	79	(100%)	155	(100%)	111	(100%)	345	100%
Veteran Permit Holders	22	28%	63	41%	34	31%	120	35%
New Permit Holders	57	72%	92	59%	77	69%	225	65%

*Company size is size on current permit addition; veteran permit holders are those who held a permit prior to open entry; new permit holders are those obtaining their first city permit since open entry.
 **Permits issued to original single-cab operators who temporarily left the industry; one has done so twice.

fleet-sized operations in addition to Yellow Cab, twice as many as the city had ever known previously. In addition were over 40 mini-fleets as well as the expected proliferation of single-cab operations.

Second, both veteran and new permit holders exhibit a similar impulse toward expansion. During the first two years of open entry, it is the veteran owners (besides Yellow) who account for most of the growth in company size. By 1981 this pattern has shifted as new owners obtain the additional permits to expand into mini-fleet and larger fleet operations -- e.g., 45 percent of new permits are obtained by new mini-fleet and fleet owners in 1981, compared with 30 percent by veterans. The majority of new permits issued throughout the three years of open entry have been acquired by new operators.

The veteran permit-holders did not merely hold the line against an onslaught of newcomers; many veteran fleet and single-permit holders seized the opportunity to increase their operations. While 24 of the 60 original owner-operators still active in 1978 continued as one-cab operations, an equal number had either increased their own operations or joined with others to organize a fleet-sized company. Veteran single permit holders accounted for six of the 15 new fleets and 14 of the 42 mini-fleets. Both pre-existing cab-owner associations had increased their membership base (see next section). And veterans still held over two-thirds of all permits.

New owners have evidently been consolidating permits as fast as city permit procedures would allow. As of the end of 1981, these permit holders already accounted for nine new fleets (of 4 to 18 cabs each) and 28 two- to three-cab mini-fleets. Thus, three years after open entry was inaugurated, local industry structure is still changing, and the next 12 to 18 months can be expected to witness additional adjustments. Figure 4-1 illustrates the changing structure of the San Diego taxi industry for open entry's first three years.

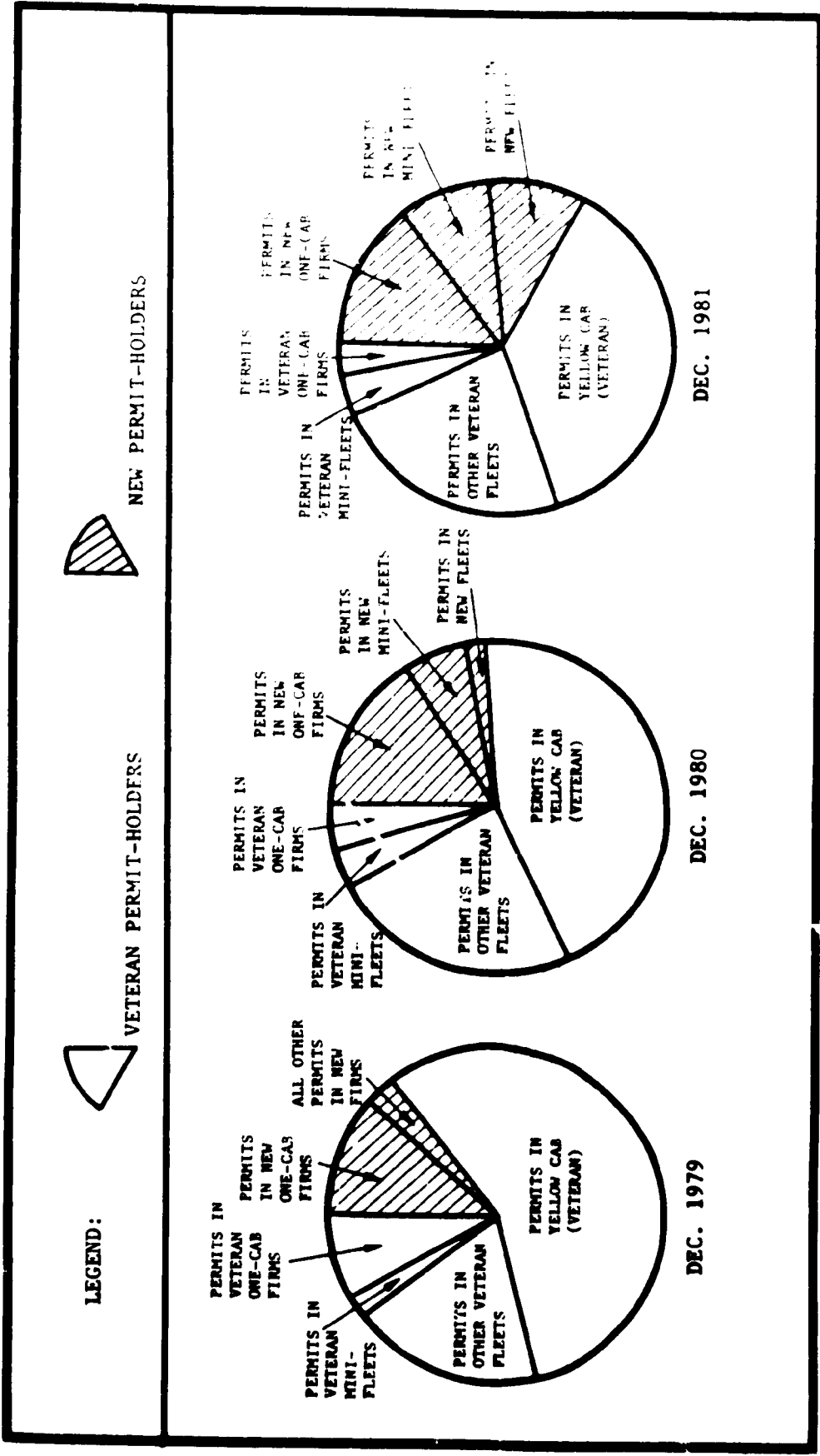


FIGURE 4-1 TAXI PERMITS HELD BY NEW AND FORMER OWNERS SINCE OPFN ENTRY

Table 4-3 summarizes the changes in total companies, permits, and owners each year with annual and cumulative changes to date. Growth has increased steadily since open entry was implemented, with 1980, the second year, registering the largest annual permit increase to date. Despite the gradual consolidation of permits previously described, the number of firms has more than tripled while that of permits has nearly doubled. Note that veterans have represented a steadily declining proportion of all owners while also gradually decreasing their (still majority) share of all permits.

Note also that the annual change in permits always falls short of the maximum which would have been permitted to be issued under the Council-established monthly ceiling. Although exits account for some loss in total permits each year, this shortfall is chiefly due to operator delays in meeting entry requirements and other procedural factors. Rates of entry and exits over time are discussed in section 4.1.3.

4.1.1.2 Effect of Membership Associations on Taxi Industry Structure -

Two associations of independent owner-operators date from before open entry. Originally established principally to meet the city's requirement for radio-dispatch capability, these associations present fundamental differences in their organization and aims as well as in their rate of growth since open entry.

a. San Diego Cab Owners Cooperative Association, Inc. (CO-OP) -

The larger of the two associations, CO-OP's first 20 members were among the 62 original owner-operators who obtained their taxi certificates during 1977, many of whom were striking Yellow Cab drivers. Five later splintered off to form Coast Cab, the first new fleet to emerge following open entry. Another group left CO-OP to form ICOA, the area's other independent-owner association. Despite these attritions, CO-OP membership and vehicle ranks grew steadily until mid-1980, when membership was closed.

TABLE 4-3 SUMMARY OF CHANGES IN TAXI INDUSTRY SIZE SINCE OPEN ENTRY

	Pre-Open Entry		Post Open Entry	
	December 1978	December 1979	December 1980	December 1981
Total Firms*	68	116	175	202
Veteran Owners**	68(100%)	57(49%)	55(31%)	52(26%)
New Owners**	-	59(51%)	120(69%)	150(74%)
Total Permits***	409	488	641	752
Veteran Owners	409(100%)	422(86%)	487(76%)	509(68%)
New Owners	-	66(14%)	154(24%)	243(32%)
Yearly Change in Permits (as % of all permits)	-	+79 +19%	+153 +31%	+111 +17%
Cumulative Change in Permits (as % of all permits)	-	+79 +19%	+232 +57%	+343 84%

*Permits owned by a single owner or group of owners under different business names are grouped together as a single "firm" for purposes of this report.

**Veteran owners are those who held taxi certificates prior to open entry; new owners are those who obtained their first permit in January 1979 or later.

***Excludes limited permits: 6 in 1978, 2 in 1979; 2 in 1980; 6 in 1981.

The CO-OP included 48 members and 106 city-licensed vehicles--all painted silver and carrying the CO-OP logo as of December 1981. Nineteen of the members--a large majority of the charter group--held more than one permit and the association included four sizeable fleets. CO-OP thus represents the city's second largest radio-dispatched operation after Yellow Cab.

Indeed, its growth has been so great that the CO-OP has taken or is contemplating entry restrictions of its own. Membership in the association is closed because members contend that every new cab dilutes the bell business. The association has also contemplated limiting the number of taxicabs each member may hold to avoid one member's capturing a disproportionate share of this market and franchising out (i.e., leasing) to non-members. Although management agrees that San Diego taxi medallions are worth relatively little under open entry, it contends that CO-OP memberships are so desirable they sell at a premium (from \$4,000 to \$10,000 net of equipment, which is comparable to sales prices reported for taxi medallions prior to open entry).

b. Independent Cab Owners Association (ICOA) - The ICOA originally developed as a spin-off of members from CO-OP and continues as a smaller, more fraternal-type association growing from about 20 members and vehicles during 1979 to about 30 members and 36 city-licensed vehicles, including one fleet-sized operation, as of the end of July 1981. Membership is open; the ICOA incorporated in March 1981 and is licensed to sell securities to up to 100 members. Member vehicles carry the same logo, but member rates may vary and operations are not as centrally organized as they are in CO-OP.

Table 4-4 and Figure 4-2 show the effect on overall industry structure of including each association's membership (of whatever individual size type) with the association as a fleet. The result is chiefly to increase the proportion of fleet-sized operations at the expense of single-cab and two-cab firms.

TABLE 4-4 EFFECT OF ASSOCIATIONS ON SAN DIEGO TAXI INDUSTRY STRUCTURE
(NUMBER OF PERMITS BY COMPANY TYPE OR ASSOCIATION AT YEAR'S END: 1978-1981)

Operation Type or Association	Number and Percent of Taxi Operations and Permits			
	December 1978	December 1979	December 1980	December 1981
Large Fleet (Yellow Only)	(1) 280 (68%) (1%)	(1) 280 (57%) (1%)	(1) 281 (44%) (0.6%)	(1) 281 (37%) (0.5%)
CO-OP	(23) 23 (6%) (34%)	(42) 48 (10%) (36%)	(52) 86 (13%) (30%)	(47) 106 (14%) (23%)
ICOA	(12) 12 (3%) (18%)	(15) 16 (3%) (13%)	(24) 28 (4%) (14%)	(27) 38 (5%) (13%)
Other Fleets (4 cabs and +)	(7) 69 (17%) (10%)	(10) 91 (19%) (9%)	(13) 150 (23%) (7%)	(16) 188 (25%) (8%)
Mini-Fleets (2-3 cabs)	-	(5) 11 (2%) (4%)	(10) 21 (3%) (6%)	(23) 51 (7%) (11%)
One-Cab Firms	(25) 25 (6%) (37%)	(42) 42 (9%) (36%)	(75) 75 (12%) (43%)	(88) 88 (12%) (44%)
Total Operations and Permits	(68) 409(100%) (100%)	(116) 488(100%) (100%)	(175) 641(100%) (100%)	(202) 752(100%) (100%)

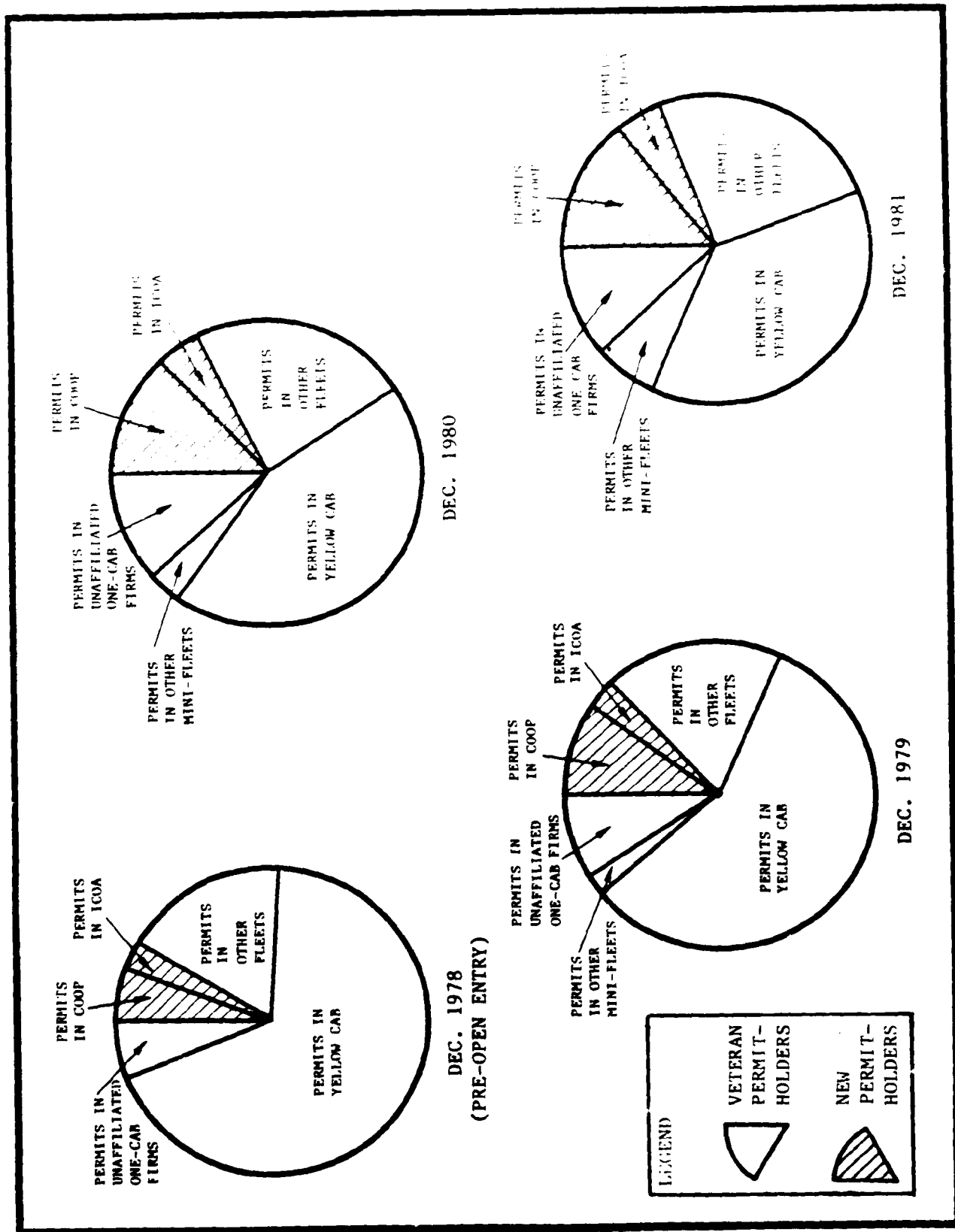


FIGURE 4-2 GROWTH OF ASSOCIATIONS AND EFFECTS ON INDUSTRY STRUCTURE

4.1.1.3 Rates of Taxi Company Entry and Exit - The existence of a large backlog of applications for taxi permits prior to open entry and the Council-established limit on the number of permits which may be issued in a month complicate assessment of changes in demand for permits over time. To ensure fairness to all applicants, the city's policy first was to approve no more than one permit to an applicant at a time and then to recycle the applicant's name with any additional permit requests to the bottom of the current list. Between late 1980 and the close of 1981, the city had a six-month rotation system whereby an applicant generally became eligible for consideration for his or her first permit six months after his or her filing date, for a second permit six months later and so on.

Permit approval procedures, including payment of fees and purchase of a San Diego business license, criminal and traffic records checks, determination of financial responsibility, follow-up on references and review of proposed operating characteristics, could take several months. The city moreover allows operators 90 days to get their vehicles inspected and on the road following permit approval.* Thus it could take six months to a year for an applicant to complete all processing steps and commence operations. Because of these delays and also because of the inevitable difficulties encountered in implementing new procedures, the P/TA did not approve the maximum 6 or 15 permits per month on a regular basis.** The number of taxicabs the Police Department placed into service each month, moreover, generally fell short of the total P/TA had approved. No quantitative documentation is available for estimating the proportion of permit applicants who fail to complete permit processing through loss of interest, lack of supporting documentation or request for postponement.

*Extensions are permitted at operator request to provide for late equipment and other delays. Operators may request postponement without forfeiting their place on the list. The new Paratransit Administrator is currently streamlining procedures to minimize delays.

**Staff turnover was also a factor. In any case, the maximums were set to meet P/TA estimates of the volume of new permit activity it could accommodate. They were not established as requirements for P/TA to meet.

a. Rates of Permit Requests and New Entry - Table 4-5 displays available data on the numbers of city permit requests filed, permits approved and taxicabs placed into service each month since open entry. These data do not include the number of individual applicants requesting permits each month or quantify their individual permit requests.* They do show, however, three major findings. First demand for taxi permits has continued throughout the three years since open entry was initiated. Second, demand (in terms of estimated number of permits requested) consistently exceeded the maximum permits which could be issued -- an average 10.5 per month or 126 total during 1979 and 15 per month or 180 total during 1980 -- for the first two years of open entry. Third, demand for permits was heaviest during 1980 and evidently declined during 1981. Monthly permit requests for the first six months of 1981 extrapolated from a P/TA list of applications coming eligible during January through June on the six-month rotation system consistently fall below 1979 and 1980 levels as well as of the 15 permit maximum.

The 155 permit requests shown from 1979 were in addition to the 240 permits requested by about 40 applicants still active on the waiting list from 1976-77. It took the P/TA until August 1979 to proceed once through this remaining list, issuing one permit apiece to all but two applicants who still wanted them and recycling the names of 14 who had requested more than one permit. Thus it was at least eight months before any applicant who had filed since open entry began even became eligible for processing. Moreover, up to 98 1976-77 and 1979 applications (more than half of the 180 which could be granted under the 15 per month limit) were held over for processing during 1980.

***Several distinct procedures have been implemented to record permit applications prior to and since open entry. The data is discontinuous from 1979 to late 1980 and ends in mid-1981. No data are available on application withdrawals, postponements or other changes.**

TABLE 4-5 SAN DIEGO TAXI PERMIT REQUESTS AND APPROVALS WITH TAXIS PLACED INTO SERVICE BY MONTH: 1979-1981

Permit Requests From 76-79	1979												1980												1981																												
	J	F	M	A	M	J	J	A	S	O	N	D	Total	J	F	M	A	M	J	J	A	S	O	N	D	Total	J	F	M	A	M	J	J	A	S	O	N	D	Total														
Permit Requests Filed (Clerk-P/TA)	240	12	9	7	7	12	19	15	17	15	8	19	15	155	15	19	15	9	10	11	12	21	34	24	13	12	195	6	11	12	6	19	195	6	11	12	6	19	195														
Monthly Ceiling	6	6	6	6	6	6	15	15	15	15	15	15	15	126	15	15	15	15	15	15	15	15	15	15	15	15	180	15	15	15	15	15	15	15	15	15	15	15	15	180	15	15	15	15	15	15	15	15	15	15	15	15	180
Permits Approved	6	-	10	6	7	5	20	13	-	11	14	7	99	15	17	37	12	10	6	17	9	12	***	99	15	17	37	12	10	6	17	9	12	***	99	15	17	37	12	10	6	17	9	12	***	99							
Taxis Placed into Service (SDPD)	5	1	2	3	5	8	5	15	8	5	10	10	77	6	11	21	19	9	15	8	13	9	16	10	18	155	6	8	14	9	11	10	6	12	9	7	10	9	111	6	8	14	9	11	10	6	12	9	7	10	9	111	

*Excludes transfers and changes of dba which do not increase the total number of taxicabs.
 **SDPD monthly tallies list 76 taxicabs placed into service during 1979 but other PD and P/TA sources reveal another 5 taxicabs entered the industry during 1979; only one of those can be precisely dated.
 ***P/TA records of its permit approvals end in September 1980.
 †The number on applications filed by month during the first half of 1981 is extrapolated as possible from monthly totals of applicants (and their remaining permit requests) eligible on the 6-month rotation system. This data ends as of June 1981.

Another 195 permit requests were filed during 1980. These and the requests brought forward from 1976-77 and 1979 provided sufficient backlog (assuming few withdrawals) to carry through 1981, given the 15 permit monthly limit and despite the slackening of demand. That is, many permit requests filed during 1981 were likely not met until 1982. Moreover, the continuing backlog of permit requests would continue to provide for new permit issuance even if additional permit demand were to decrease precipitously or stop altogether during 1982.

SDPD and P/TA records show 81 new taxicabs (82% of those approved during the year) entering service during 1979* and 192 (83% of the total 234 permits which had been approved to that date) through September 1980.

b. Rejected Applications and Rationale - Only incomplete data have been available on taxi permit application denials and appeals. Twenty-one cases are documented of SDPD investigators recommending denial of an application for a taxi permit during the first 15 months of open entry (through March 1980). Most are based upon the applicant's reportedly "unsavory" past in terms of prior convictions and traffic violations, some because these convictions were not reported in the application. Most also are of independents' applications, but this is likely to be because most of these early applications were from independents. Eighteen of the applicants (86%) subsequently obtained their permits in any case; two were on appeal and the rest by direct authority of the Paratransit Administrator. Later information has been unavailable. City Manager's staff point out that denials, revocations and admonitions are difficult to uphold once an appeal to the Council is filed.

c. Rates of Taxi Company Exit and Permit Transfers - A few preliminary notes will help to clarify the following discussion. First, company exits as represented here denote the company and owner's leaving the San Diego

*SDPD monthly tallies of taxicabs placed into service only total 76 but subsequent PD lists of permits by company as well as P/TA totals and individual company records reveal another 5 permits issued sometime during 1979.

industry. It should be emphasized that exits are not necessarily negative. Owners may leave the taxi business because they find other work, have obtained enough capital to start another business, perceive the opportunity to sell at a profit under open entry, or for other reasons. No comprehensive and reliable operating cost data was available to the evaluation to assess the profitability of departing and continuing operations and we did not attempt to interview exiting owners. Second, city procedures allow taxi permit transfers chiefly for the benefit of the transferror, to minimize his or her losses in quitting the taxi business in an expeditious manner. Thus, transfers are permitted without a waiting period. The transferee must apply to the city for approval of the transfer and complete the same permit approval procedures as other new applicants. But circumvention of the lengthy wait involved in applying for a new taxi permit provides a strong incentive for prospective taxi operators to obtain an existing permit by transfer if they can. (This is also their primary means of obtaining multiple permits at one time.) Thus transfer permits accrue value above the amount of regulatory fees.

Permit transfers do not necessarily signal the failure of the transferror. Eight of the 15 permits "transferred" from single-cab operations during 1979 were held by owner-operators who joined together to organize a fleet operation. All of these owners continued as partners in the new corporation which then held title to the permits. Some of the owners continued to maintain another cab or cabs (operated in conjunction with the fleet) under their old business name.

There is also some evidence of speculation in taxi permits by mostly smaller operators who evidently obtain permits with the primary intention of transferring them. Either their name reaches the top of the list and they accept the permit in order to trade it, or they take advantage of another applicant in that position in order to provide themselves with a permit to trade at a later date. Occasionally an operator will transfer one of his existing permits shortly before or after acquiring another via the applicants list. Sometimes a trade is

used to temporarily reduce operation size, or to produce capital in an emergency.

The incidence of transfers of P/TA permit approvals (prior to getting a vehicle on the road) or of applicants' selling their places on the list became frequent during 1980. Since this practice can double the P/TA's administrative effort, the P/TA promulgated a rule effective December 1, 1980 prohibiting the transfer of a taxi permit prior to the permit holder's obtaining a taxi medallion and placing a vehicle on the road.* Transfers of permit approvals were specifically prohibited at this time.

1. Exits by Company Type - It should be noted apropos of taxi company exits that the P/TA does not attempt to monitor taxi company exits per se. A company may cease to operate a vehicle or at all without its coming to the attention of the city until many months later or at permit renewal time. Transfer of the permit to another or incoming operator provides the chief means of catching up with these changes in industry size and composition. But the date of transfer may follow abandonment of operations by a considerable interval. The evaluation work scope did not provide for obtaining operating or anecdotal data on exiting companies, moreover.

No city-licensed operation changed hands, failed or showed a net loss in permits between open entry and the close of 1981.** This experience compares

*See Appendix C for a copy of this rule.

**With two exceptions: Poway Cab, a county-based operation holding only limited city permits, ceased to operate sometime late in 1979 or early 1980 and had closed by summer 1980, due to the death of the owner. City and USA Cab Companies, under one ownership and holding 32 combined permits at their maximum size since open entry, transferred five permits to other operators during the first half of 1981, bringing them to 27 permits, more than twice their total size before open entry. The company had all of its permits revoked in January 1982 for operating without insurance. The revocation was overturned by Council's Transportation and Land Use Committee (TLU), which levied a fine against the company for every day it operated without insurance. Word now is that the owner seeks to transfer the business but it may not do so until the fine is paid in full.

very favorably with the three years prior to open entry, during which four fleet operations failed. No fleet-sized companies had exited since 1976.

All of the companies which have left the taxi business since open entry have been either one-, two-, or three-cab operations. In the latter cases, they have not typically transferred all their permits simultaneously, but gradually, as they could find buyers. Thirty-six companies in all, they accounted for a total of 43 permits. Two one-cab firms--one veteran and one new permittee--had their permits revoked by the city, one in 1979 and one in 1981. The 43 permits represent only 5 percent of all permits active since open entry through 1981 and 16 percent of all permits in the smaller firm types. Although these proportions are not insignificant, they are comparatively small in relation to the dire predictions which preceded open entry.

Slightly less than half of the operations which have closed since open entry (16 companies) were among the original group of 60 owner-operators still active at the close of 1978. Three of these (and one new permittee) later re-entered the industry and two are still operating at this writing. Thus fourteen of the original owner-operator group (23%) have left the business since open entry. On the other hand, only two of the 62 original owner-operators (3%) had failed between 1977 and the close of 1978. There were no other small firm types for comparison prior to open entry.

The 36 exits were not concentrated in any one time period: nine companies including seven original owner-operators and representing 9 percent of all small firms left during 1979; thirteen companies with five original owner-operators (8 percent of small firms) left during 1980; and fourteen companies with four original owner-operators (8 percent of small firms) left in 1981.

The average life-span of these companies' 43 permits was nineteen months. Table 4-6 shows the distribution of permit lives for the group as a whole.

TABLE 4-6 LIFESPANS OF PERMITS IN SAN DIEGO TAXI COMPANIES WHICH EXITED THE TAXI BUSINESS SINCE OPEN ENTRY

<u>Lifespan of Permits In Months</u>	<u>Number of Permits</u>	<u>Percent</u>
1 - 6 months	15	35%
7 - 12 months	5	12
13 - 18 months	5	12
19 - 24 months	6	14
25 - 36 months	3	7
Over 36 months	<u>9</u>	<u>21</u>
Total	43	100%

2. Transfers by Company Type - The majority of exits were achieved by transfer of the permits to other existing or new taxi operators. In addition have been a number of transfers which do not involve the exit of the firm on the selling end. (As previously mentioned, a variety of reasons other than business failure may account for a taxi permit transfer. Because of the long waiting period to enter the industry, permit transfers can be profitable.)

Table 4-7 provides an "audit trail" of all transfers recorded to date by company type within years. That is, each year's data shows the number of permits transferred from firms of different size and permit-holder type (veteran versus new) as well as the firm and permit-holder type to which these permits were transferred. (The totals are thus equal for each year.)

TABLE 4-7 SUMMARY OF SAN DIEGO TAXI PERMIT TRANSFERS BY COMPANY SIZE AND OPERATOR TYPE SINCE OPEN ENTRY

Company and Operator Types	1979		1980		1981		Total	
	From	To	From	To	From	To	From	To
<u>Other Fleets (than Yellow):</u>								
Veteran Permit Holders	-	8*	1	9	9	3	10	20
		(53%)	(4%)	(38%)	(24%)	(8%)	(13%)	(26%)
New Permit Holders	-	-	-	4	1	12	1	16
				(17%)	(3%)	(32%)	(1%)	(21%)
<u>Mini-Fleets</u>								
Veteran Permit Holders	-	2	4**	-	5	2	9	4
		(13%)	(17%)		(14%)	(5%)	(12%)	(5%)
New Permit Holders	-	-	7	3	7	9	14	12
			(29%)	(13%)	(19%)	(24%)	(18%)	(16%)
<u>One-Cab Firms</u>								
Veteran Permit Holders	14*	-	3	1	4	-	21	1
	(93%)		(13%)	(4%)	(11%)		(28%)	(1%)
New Permit Holders	1	5	9	7	11	11	21	23
	(7%)	(33%)	(38%)	(29%)	(30%)	(30%)	(28%)	(30%)
Total	15	15	24***	24***	37†	37†	76	76
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

*One fleet was organized by a group of five original owner-operators (transferring 8 permits) who remain in operation as partners in the cooperation.

**Two original owner-operators temporarily obtained a second permit then quickly transferred them.

***Excludes two "pass-through" transfers (sales of an approved but not operating permit of the applicant's position on the applicants' list) and one transfer of a one-cab firm from one family member to another.

†Excludes three "pass-through" transfers.

One-, two-, and three-cab firms have accounted for both sides of most of the taxi transfer activity recorded to date. While they have been on the selling end of 86 percent of all transfers, however, they have been on the buying end of a bare majority (52%). These small firms acquired a larger share of transferred permits during 1981 than previously, which may indicate a growing number of permit-holders looking to reduce or abandon their operations. Smaller operations accounted for 100 percent and 96 percent respectively, of the selling side of permits transferred during 1979 and 1980 (most to fleets and mini-fleets), and represented the buying half in only 46 percent of transfers in either year. Fleet-sized operations, on the other hand, sold no permits in 1979 but acquired two-thirds of those transferred by the smaller companies. The larger firms sold only one permit in 1980 while purchasing over half of those the smaller firms gave up during the year. It is only recently that fleet-sized operations are transferring permits to other entities (usually other budding fleets).*

4.1.1.4 Changes in Number and Characteristics of "Jitney" Operations -

Prior to 1979, jitney-type fixed-route services in San Diego were licensed under the auto-for-hire category. Services under this category could charge on a per-hour, per-mile or per-capita basis. The majority were traditional limousines. None really operated as conventionally-defined jitneys--on a scheduled basis along a fixed route between fixed termini with reasonably short headways and intermediate stops for loading and unloading passengers. Scheduled they were, but headways frequently exceeded an hour and there were generally no intermediate stops. Many required advance reservations.**

*Available data on taxi medallion sales prices are both sparse and questionable, so it is not possible to estimate the change in medallion values.

**A 1978 Caltrans report identifies only one "jitney" among these services and it was not formally scheduled.

Late in 1977 and into 1978 taxicab operators protested the "unfair competition" represented by auto-for-hire vehicles charging per capita rates for group rides from the airport. The city responded with a moratorium on new auto-for-hire permits to permit the situation to be studied. The Transportation Advisory Board (TAB), a citizen-appointed group, after considering the situation, suggested that the moratorium be lifted and taxicabs be allowed to price their services competitively. No action was taken by Council on the TAB recommendation until the August 1979 change establishing open rate setting for taxicabs. The moratorium on auto-for-hire permits, however, was lifted in April 1979.

The major change affecting jitneys in the new paratransit ordinance achieving open entry and the other regulatory revisions for taxis is the creation of the specific jitney category distinct from other paratransit services. In addition, P/TA and SDPD personnel now attempt to describe potential jitney routes and clientele to transportation providers and potential providers, in order to encourage provision of jitney services.*

a. Changes in Number of Jitney Operations - Table 4-8 presents a list of jitney-type operations by year, 1978 through July 1981, in order to estimate increases in these services since open entry. Conflicting data sources complicate estimation of the magnitude of changes from 1978 through 1979, although a loss in total permits is documented. The eighteen months of 1980 and the first half of 1981 witnessed a resurgence of these operator-types, however, with a jump from 7 to 15 operators holding more than twice as many permits as in 1979. Demand for jitney permits reportedly continues strong and P/TA and SDPD efforts are being made to encourage service providers to develop new routes.

The majority of the jitney and vehicle-for-hire operations licensed during 1978 were tourist-oriented, chiefly serving the airport-to-hotels and downtown-to-border routes. All of these had been in operation in

*Operators report they use both types of permits interchangeably.

TABLE 4-5 SAN DIEGO JITNEY-TYPE OPERATIONS* WITH NUMBER OF CITY PERMITS
BY YEAR'S END: 1978 THROUGH 1981

Company Name	Number of Permits by Year			
	December 1978	December 1979	December 1980	December 1981
Bob's Ride	1	-	-	-
Bus that Goes in Circles	3	3	3	3
El Paseo Tours	1**	1	1	2
Howard Equip Corp (aka ATS)	5	5	8 jitney 6 vfl.	8 jitney 6 vfh
Jiffy Airport Transp. Service	3	-	-	-
Mexcursions, Inc. (dba SD Tijuana Tours)	8	3	-	-
Mexicoach, Inc.	5	5	3 jitney 5 vfh	3 jitney 5 vfh
Penmar Transit	1	-	-	-
Conservation Industries	-	2-6***	4 or 6***	-
Border Van	-	-	1	-
Clipper Express Club Car (aka Harbor Line Club Car)	-	-	1	1
Hedrick's Jitney	-	-	1	1
Laine's People Mover	-	-	1	-
Paul the Greek's Limo	-	-	1	2 jitney 1 vfh
Rogers' Van	-	-	1	-
The Short Run	-	-	4	4
Base Express	-	-	-	2
KO-AM	-	-	-	2
LaJolla Limo	-	-	-	1 vfh
Reliance	-	-	-	1
Arrow Transit	-	-	-	4
H&H Van	-	-	-	1
Welcome Aboard Shuttle	-	-	-	1
Total	(8) 27	(7) 17-21	(12) 40-42	(15) 48

*There were no "jitney" services per se prior to 1979 when the category was provided in the Code, although jitney-type services were (and continue to be) seen under city auto- or vehicle-for-hire permits. For purposes of comparison, this table displays company name and number of permits for services which approximate a jitney-type operation, viz. (as operationally defined) fixed or quasi-fixed-route between fixed termini charged per capita and run on a scheduled or regular basis with reasonably short headways. According to local operators these services are run under both "jitney" and vehicle-for-hire permits; it excludes all tour package and limousine services, (directed at passenger's discretion and/or charged on a per hour basis) whether or not run under vehicle-for-hire permit.

**Represented by Caltrans as running fixed-route service, but later specified in P/TA files as providing sight-seeing vehicle service only.

***Data sources vary on the number of permits held by Conservation Industries, which closed either late 1979 or mid-1980.

San Diego for many years.* In addition were three single-certificate operations, all of which had disappeared by the close of 1979.

4.1.2 Lindbergh Field, San Diego International Airport

Since Lindbergh Field lies within the municipal boundaries of San Diego, the city's code changes impacted directly upon the airport taxi industry. Burgeoning ranks of airport taxi operators and operations violations brought the two jurisdictions into conflict and the port imposed a moratorium on new airport taxi permits from late 1979 through June 1980. Changes in port rules on allowable airport taxi rates and a doubling of stricker fees followed. This process and the specific rules changes are described in section 3.3.1.

As a result of these actions, airport taxi industry growth since open entry differs markedly from that of the city industry. The increase in airport taxi fees and the limitation on rates appear to have achieved the effects desired by the port. This is illustrated in Table 4-9 which shows the number of airport taxi firms and permits by operator type from 1978 through 1981 as well as what percentage of all city-licensed taxicabs. The total number of airport permits increased during 1979 and 1980 as new permittees (licensed prior to the moratorium) flock to the airport. Then the pattern changes abruptly as a result of the new port regulations. Although the city taxi industry continued to expand steadily, the first half of 1981 shows no growth in the total number of airport taxi stickers. That is, not only were many existing operations failing to renew all of their airport permits, but new operations were not obtaining them.

In addition to the airport rules changes, however, the attrition in airport permits is likely also due to perceived early saturation of the airport market following open entry. As Table 4-10 shows, growth in

*Based upon documentation since the early 1980's and personal interviews with the operators.

TABLE 4-9 AIRPORT TAXI PERMITS BY COMPANY SIZE AND OPERATOR TYPE
(AND AS PERCENT OF ALL CITY PERMITS): 1978-1981

Operator Type	Number of Firms(), Permits and Percent of All City Permits			
	1978	1979	1980	1981
Large Fleet:				
Yellow Cab (Veteran Only)	(1) 280(100%)	(1) 263 (94%)	(1) 263 (94%)	(1) 200 (71%)
Other Fleets: (4 cabs & More)				
Veteran	(6) 56 (81%)	(8) 78 (91%)	(11) 124 (82%)	(10) 91 ^{**} (53%)
New		(1) 1 (20%)	(2) 13(100%)	(5) 35 (54%)
Mini-Fleets: (2-3 cabs)				
Veteran		(6) 14(100%)	(12) 22 (92%)	(6) 9 (29%)
New		(2) 5 (71%)	(16) 28 (72%)	(22) 43 (66%)
One-Cab Firms:				
Veteran	(60) 60(100%)	(42) 42 [*] (100%)	(21) 21 (70%)	(13) 13 (54%)
New		(45) 45 (83%)	(83) 83 (81%)	(65) 65 (58%)
Total Operations & Permits w/ of all City Permits	(67) 396 (97%) (98%)	(105) 448 [*] (92%) (91%)	(146) 554 (86%) (83%)	(122) 456 (61%) (60%)

SOURCE: City of San Diego and Unified Port District taxi permit records

^{*}Excludes permits shown by the Port which total above any company's city license total

^{**}No permits shown for three fleets (27 vehicles) previously airport-licensed.

TABLE 4-10 SUMMARY OF CHANGES IN AIRPORT TAXI INDUSTRY SIZE SINCE OPEN ENTRY

	Pre-Open Entry	Post-Open Entry		
	December 1978	December 1979	December 1980	December 1981
Total Taxi Firms with Airport Permits*	67 (100%)	105 (100%)	146 (100%)	122 (100%)
Veteran Owners**	67 (100%)	57 (54%)	46 (32%)	30 (25%)
New Owners**	-	48 (46%)	100 (68%)	92 (75%)
Total Airport Taxi Permits	396 (100%)	448 (100%)	554 (100%)	456 (100%)
Veteran Owners	396 (100%)	397 (89%)	430 (78%)	313 (69%)
New Owners	-	51 (11%)	124 (22%)	143 (31%)
Yearly Change in Permits (as % Change)		+52 +13%	+106 +24%	-98 -18%
Cumulative Change in Permits (as % Change)		+52 +13%	+158 +40%	+60 +15%

*Permits owned by a single owner or group of owners are grouped together as a single firm (regardless of different company names) for purposes of this report.

**Veteran owners are those who held city taxi certificates prior to open entry; new owners are those who obtained their first permit in January 1979 or later.

airport permits has consistently been slower than that in city permits, even during the first eighteen months following open entry and despite the ease and low cost for a city permit holder of obtaining an airport sticker prior to the moratorium. The total of airport permits grew 13 percent compared with 19 percent for city permits during 1979 and 24 percent compared with 31 percent during 1980. Moreover, the proportion of all city-licensed taxicabs which also held airport stickers has continually declined from 1979 onward. In 1978, all but one of San Diego's taxi firms held airport permits covering 97 percent of all city taxicabs. In 1979 this proportion dropped to 92 percent. In 1980, city taxi operators covered 86 percent of their taxicabs with airport permits, while by the end of 1981, after the permit fee hike and airport rate changes, only 61 percent of city-licensed taxi vehicles carried airport stickers.

4.1.3 San Diego County

San Diego County regulates taxicab operations and licenses taxis to pick up in the unincorporated areas only. Although it opened entry at the same time the city did, the county had no previous statutory limit on the number of taxi certificates which could be issued. Indeed, demand for county certificates was traditionally low due to the small demand for taxi service from these less-populated areas. Most city-licensed fleet operators routinely obtained county permits while fees were low in order to avoid deadhead trips back to the city. There were also about a dozen county-based operations prior to open entry.

While the city targetted its regulatory fees at one-half of full recovery of regulatory costs as an incentive to new entry, the county sought to reimburse its full costs of taxi regulation and administration with taxi permit revenues. Thus, in mid-1980, the county increased its taxi fees more than three-fold, with a dramatic effect on county taxi industry size.

Table 4-11 shows the number of county taxi certificates by operator and operator type at year's end 1978 through 1981 and reveals the effect of the new fee schedule. County permits dropped by more than half between 1979 and the end of 1980. (It should be noted that the decrease in San Diego Yellow Cab permits alone accounts for 94 percent of this change.) The downward trend was barely checked by the end of 1981 by virtue of generally minor increases in fleet-held permits. Yellow added 13 permits and continues at a fraction of its former strength. Diamond Cab, the county's second largest fleet, currently operates at less than half of its former strength. In contrast, La Jolla Cab, traditionally focusing its operations on the La Jolla area of the city, has purchased county licenses for its entire fleet. On the other hand, nearly all of the single-cab firms which either pre-existed or initiated operations since open entry was adopted have left the county taxi business. (Six small firms continued to operate in the city.)

The effect of low demand for taxi service in the county should not be ignored, nonetheless. The number of county certificates had already declined between 1978 and 1979, despite open entry and before the fee hike. In general, open entry seems to have offered little impetus to expansion of the county taxi industry. Only seven new operators (with a total of 11 permits) obtained county certification during 1979 and only three of these (with four permits) continue through 1981. An offshoot of one of these newer entrants obtained three permits during 1981, and La Jolla Cab Company has recently obtained county licenses, as stated previously. But the combined effect of these changes is minimal. Although there has been a substantial decrease in the number of county permits held by fleet-sized operations and a temporary rise in the small firm types, the fleets continue to dominate the county industry.

4.2 CHANGES IN TAXI FARES AND PRICING PRACTICES

This section presents results of an analysis of taxi company rate filings since variable pricing was instituted in August 1979 through

TABLE 4-11 SAN DIEGO COUNTY TAXICAB PERMITS BY OPERATOR AND COMPANY TYPE: 1978-1981

	December 1978	December 1979	December 1980	December 1981
<u>Multi-Certificates</u>				
AAA	4	4	(.) ^h	-
Bill's	15	11 ^d	11	12
Brown & White	6	(6) ^d	-	-
Checker	4	4 ^e	4	3
Diamond	42	42	23	17
Encinitas Yellow	3	3	3	3
Escondido Yellow	10	10	11	10
La Jolla	-	-	-	14
Lemon Grove/Spring Valley	3	3	(3) ⁱ	-
Mack's Hack	-	4	4	2
Metro	5	5	7	7
Poway	5	4 ^{††}	-	-
Radio	(12) ^a	-	-	-
Red	14	14	11	17
Oceanside Yellow	14	-	12	14
San Clemente Yellow	(10) ^b	-	-	-
San Diego Yellow	287	283	25	38
Santee	(3) ^c	-	-	-
Silver	-	-	-	2
<u>Small Multi-Certificates</u>				
ARRO	2	2	(2) ^{**}	-
Camino Yellow	-	-	2	4
Colt	-	2	2	1
East County	2	3	3	- ^{†††}
Fallbrook	2	2	2	(2) ^{***}
Mar's	2	2	2	1
Ramona	2	2	2	2
<u>Independent Owner-Operators</u>				
Bunaco	-	1	2	- ^{†††}
Cherokee	-	1	1 ^j	- ^{†††}
Clipper Express	1	1	(1) ^j	-
Computer	-	1 ^f	1	(1) [*]
Cromley	1	1	-	-
Frank's of Carlsbad	-	-	-	1
J.B.	1	1	1 ^k	(1) [†]
Kimchee	-	-	1	-
Lee's	1	(1) ^g	1	-
R & J	-	1	1	-
San Marcos	-	1	1	1
Sol's	1	1	1	1
Totals	427	410	133	150
Annual Change in Permits		-17	-277	+17%
Annual Change (%)		-4%	-68%	+13%
Cumulative Change Since Open Entry		-17	-294	-277
Cumulative Change (%)		-4%	-69%	-65%
SOURCES: San Diego County Sheriff's Licensing Division, SANDAG (CPO)				
^a First licensed 1969; inactivated 7-15-78.		ⁱ Out of business 1-8-80.		
^b First licensed 1975; inactivated 7-1-78.		^j Out of business 1-9-80.		
^c First licensed 1976; inactivated 7-1-78.		^k Expired 11-6-80, not renewed.		
^d First licensed 1975, 6 licenses 1979; did not renew after 7-1-79.		^l Expired 9-4-80, not renewed.		
^e First licensed 1977; inactivated 6-11-79; new owner licensed 8-1-79.		^m Expired (and not renewed) 1-4-81.		
^f Expired 12-7-79.		^{**} Went out of business 1-8-80		
^g First licensed 1969; inactivated 7-1-79.		^{***} Out of business 1-6-81.		
^h Licenses expired 6-30-80; not renewed. Previous owner of AAA started Camino Yellow 7-80.		[†] Out of business 1-2-81.		
		^{††} Out of business late 1979 due to death of owner.		
		^{†††} Failed to renew after 6-81.		

December 1981. The reader is referred to section 3.2 for details on the code provisions governing rates under variable pricing.

Some industry opponents of regulatory revision predicted cut-throat competition and price-gouging would ensue from open rate setting, but most operators welcomed the change and even advocated removal of the preliminary rate ceiling. Some regulators expressed the view that competitive pricing would retard rate increases better than continued standardization. The data suggest two major findings: first, fares have risen faster under open rate setting than they likely would have done under continued standardization. From August 1979 through December 1981, average fares for exclusive ride service rose over 60 percent above the pre-revisions standard, compared with a 29 percent rise in the standard rate of fare over the preceding 30 months.* Average San Diego taxi rates now nearly equal standard rates effective in San Francisco and Oakland-Berkeley, but are lower than those currently charged by about half of the Los Angeles industry.**

The second major point is that taxi rates have varied considerably among different company types and between veteran and newer operators. Owing to differences in company size, therefore, the weighted average fare, based upon the number of taxi vehicles offered at each rate, has risen more slowly than the simple average. Implementation of rules limiting the range for airport taxi rates has also affected both the level of local taxi rates and operator pricing practices.

*A 21% increase had been adopted in March 1977, followed by a temporary \$0.30 surcharge in effect from April through July 1979.

**Half of the Los Angeles industry (about 550 cabs) currently operates a \$1.30 drop including the first 1/8 mile, plus \$0.20 per 1/5 mile thereafter, effective since mid-July 1980. Other operators requested an increase and received approval to charge \$1.90 drop including the first 1/5 mile and \$0.20 per 1/7 mile thereafter. About half of the industry has been running at this rate since mid-December 1981.

4.2.1 A Preliminary Note on Taxi Rate Structure

A note on taxi rate structure is in order since not all readers may be familiar with its peculiarities. A taxi rate includes three primary segments: a flag drop charge, the amount registered by the meter at the start of a trip and usually including some fraction of the first mile; the mileage charge per fraction of a mile thereafter, and a wait (or time) charge clocked while the cab is engaged but either waiting at the passenger's direction or stopped in traffic.* In traditional practice, the drop charge lessens the disincentive against short trips by increasing the revenue they generate. In San Diego (as in other cities) surcharges adopted to compensate for high gas prices during emergencies were added to the drop. Drop charges 30% to 50% higher than mileage charges are therefore not uncommon. Only in the case of a very short trip (about 2 miles) would the drop charge comprise the major portion of a taxi fare, which increases more rapidly with trip length. Since the average taxi trip in the San Diego area is now about 5 miles, the mileage charge effectively determines the majority of local taxi trip fares.

4.2.2 Range of Available Fares Since Open Rate Setting

Prior to variable pricing, San Diego taxi rates were set at \$1.10 drop (including the \$0.30 gasoline surcharge), plus \$0.70 per mile and \$7.20 per hour waiting. The basic rate had been in effect since March 1977; the surcharge was implemented in April 1979. The industry had argued that a rate increase was long overdue and, with the onset of variable pricing in August 1979, all current operators** filed increased

*Previous analyses for this project calculated and presented the "fixed charge" (or drop minus any mileage) for purposes of comparison. Because many of the rate filings which comprise the data base for this section lack the specific mileage increment, however, this approach would have meant a significant loss of data here.

**Note from section 4.1.1 that few new operators had entered the industry by this time.

rates averaging 26 percent higher for a five-mile trip than the previous standard rate. This jump represented the highest single increase in the recorded past* or since. Industry average fares gradually rose another 28 percent during the following 30 months (61% overall), compared with a 29 percent increase over the 30 months preceding variable pricing.

Table 4-12 displays the average five-mile trip fares (rounded to the nearest \$0.05) calculated from rate segments filed or in effect by company type by quarter since the onset of open rate setting.** The simple average San Diego rate as of December 1981 was about \$1.30 for the flag drop and \$1.25 per mile with \$9.70 per hour waiting charge. Average fares available to taxi patrons during any one quarter have varied as much as 27 percent, or about \$1.40 on a five-mile trip; individual company rates filed or in effect during any one quarter have varied up to 45 percent, or about \$2.25.

Weighted average San Diego taxi rates have just failed to keep pace with the rate of inflation since 1979, however. Figure 4-3 illustrates the rise in city operators' weighted average flag drop and mileage rate segments as well as in the average 3.75 mile non-airport trip fare in comparison with that of the Consumer Price Index for the San Diego Metropolitan area. (Note that both the rate segments and the resultant trip fares presented are weighted averages, calculated on the basis of the industrywide proportion of all taxicabs operating at the different rate segments each quarter.***) The weighted average trip fare rose 47 percent compared with a 51 percent rise in the local CPI since July 1979. Thus, although taxi rates are likely higher now than they would have been under continued standardization, these data suggest that regulation was holding rates artificially low, as the industry contended.

*See the project interim report, op. cit., p.45.

**See Appendix B for mean rate segments by company type.

***No attempt was made to account for varying rates of vehicle utilization or other alternative weighting schemes.

TABLE 4-12 PRICE OF A FIVE-MILE TAXI TRIP CALCULATED FROM AVERAGE RATE FILINGS* BY COMPANY TYPE BY QUARTER

Company Type:	Pre-Revisions Standard Rate Segments	1979		1980		1981		% Change Since One Set of Vari- able Pricing
		July-Sept	Oct-Dec	Jan-Mar	Apr-Jun	July-Sept	Oct-Dec	
Yellow Cab (Large Fleet)	4.50	5.00	5.00	6.00	6.00	6.00	7.00	+40%
CO-OP (Association)	4.50	5.60	5.95	5.85	5.85	5.90	6.10	+37
Other Fleets (4-32 cabs)	4.50	5.55	5.55	6.15	6.60	7.15	7.25	+80%
Mini-Fleets (2-3 Cabs)	4.50	5.85	6.35	6.30	6.55	7.00	7.25	+24%
One-Cab Firms	4.50	5.65	5.95	6.30	6.60	6.95	7.60	+55%
Average 5-Mile Fare	4.50	5.65	5.95	6.10	6.40	6.75	7.25	+28%
% Change/quarter		+26%	+5%	+3%	+2%	+4%	+0.7%	+2%
Range of Variation (from highest to lowest)	0	17%	27%	8%	9%	21%	24%	25%

*to nearest \$0.05.

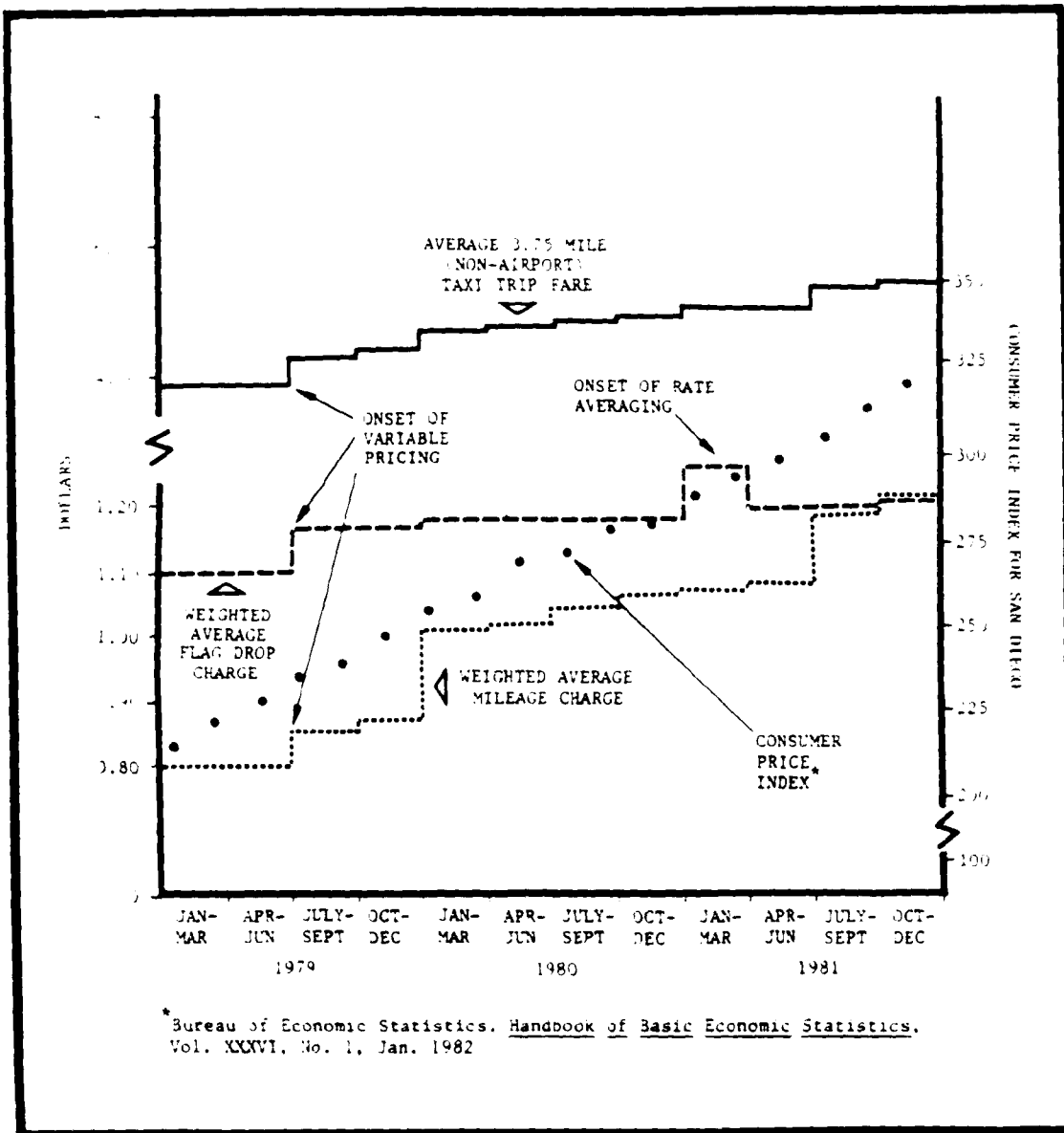


FIGURE 4-3 CHANGE IN CITY OF SAN DIEGO TAXI RATES AND AVERAGE TRIP FARE BY QUARTER SINCE VARIABLE PRICING

This hypothesis is supported by striking increases in local prices for gasoline and insurance, major taxi operating cost items. The average full-service service station price for gasoline in San Diego increased 38 percent between 1979 and 1980 alone.* ((Operator reports of liability insurance increases of 100 percent to 150 percent are discussed in section 4.3.)

Figure 4-3 illustrates a gradual shift in traditional taxi structure as the rise in the mileage rate outpaces that of the drop charge. The mileage segment has gradually become the primary determinant of trip fares for all but the shortest trips. This shift is noteworthy on several counts. First, a large drop charge traditionally protects against the potential loss incurred in travelling (or waiting) to pick up a short-haul trip by adding to the revenue it generates. As the drop charge declines relative to the mileage charge, the disincentive to take short-haul trips increases. Reduced reliance on the drop may relate to the overall reduction in cruising (reported in later sections of this chapter), or to a new approach among new owner-operators who do not share the traditional view on taxi rate structure. There may also be a deliberate effort to compete by holding the drop low, since it is the first item a prospective passenger sees in considering a posted taxi rate.

4.2.3 Variation in Rates Among Company and Operator Types

The weighted average rate segments depicted in Figure 4-3--about \$1.20 for the flag drop and \$1.25 per mile--are lower than the simple averages because the larger firms have tended to maintain lower rates than their smaller counterparts. Thus the majority of taxicabs--including from 76 percent (at the close of 1979) to 66 percent (by the end of 1981) of all vehicles in fleets plus another 10 percent to 15 percent in the San Diego Cab Owners Cooperative Association (COOP)--have continued to

*Gasoline prices rose 33.6% nationwide between 1979-1980 compared with a 13.5% increase in all consumer items combined; American Petroleum Institute, Basic Petroleum Data Book, Vol. 1, No. 3, Section VI.

operate at the lower rates.* Only 11 percent to 19 percent of all taxicabs (about 50 to 110 vehicles) have been operating at the higher rates.

Yellow Cab Company and the CO-OP, the two largest single organizations, have generally assumed the role of low-price leaders, a position ceded by the larger firm as of early 1980. With from 31 to 94 member vehicles in the CO-OP and 280 or 281 in Yellow Cab, price competition between these two organizations involved from 67 percent to 53 percent of the industry as a whole.**

Veteran operators have also maintained lower rates than new operators, and the gap between these groups widened from a difference of 8 percent in late 1979 (some \$0.50 on the 5-mile trip fare) to 12 percent (\$0.80) at the close of 1981. New operators' rates have risen 30 percent over the 30 months since variable pricing, in contrast with an 18 percent increase in veterans' rates. The small, mini-fleet (2-3 cabs) and single-cab firms occupy the high end of the rate spectrum. This is partly because new operators have tended to start higher than prevailing average rates and they must start small.*** It should be noted, however, that operators do not lower their rates as they increase in size, although the data suggest that they do tend to hold off further rate increases as they grow.

*The assault by some fleets on the calculated weighted average in early 1981 is the sole exception.

**The CO-OP currently requires members to file rates at or within 10% of 1.20 drop and 1.00 per mile. The other association, ICOA, does not attempt to achieve uniformity of rates or operating practice among its membership, and therefore is not classified as a distinct company type in these breakdowns.

***City permit procedures preclude operators from obtaining more than one permit at a time (about every 6 months), except by transfer, see section 4.1.1.3.

Several factors help to explain these differences: competition and the different companies' varying ability to influence the market, the traditionally-assumed inelasticity of demand for taxi services and market segmentation by different company types appear to be the major ones.

The higher rates of the smaller firms likely relate to these companies' inability to influence the market through any unilateral pricing decision as much as to higher operating costs.* A small independent firm cannot expect to increase its business by lowering its rates no matter how well it advertises. Not only would it be extremely difficult having only one or two vehicles to connect with price-sensitive riders, but customers could not be expected to support the inconvenience involved in limiting themselves to the services of a small company. The company could likely not lower its cost sufficiently to offset the added wait time.

Moreover, since it is also difficult to ply the telephone request business with only one or two vehicles, even on a centralized dispatch, most of the small independent firms concentrate on opportunity markets. These include the airport and other visitor-oriented pick-up and cruise locations which generally inhibit comparison-shopping and where potential passengers likely weigh convenience much heavier than price. The operator may also presume that most visitors, such as business travelers, are less price sensitive than residents--if they even know that taxi rates differ. Rather than posing any disincentive to high rates, the fundamentally first-in, first-out operation of the airport and other taxi stands even militates against competitive pricing. The responsibility rests entirely with the passenger to comparison shop and reject high-priced service offerors.

*See for example, James F. Foerster, "Economic of Taxi Operations and Regulations" University of North Carolina Department of City and Regional Planning, November 1976, p.7.

Large, highly-organized fleet-type operations, on the other hand, are in an advantageous position to undersell the competition. This is perhaps especially true where the industry has been highly concentrated and now combines that traditional organization with an influx of small independents who would be particularly vulnerable to this approach. Thus direct price competition developed between the two largest entities. But the situation is not that of cut-throat competition and price wars waged by majors against independents, which had been predicted by the opponents of regulatory revision. Rather, it was the membership organization of both old and new but generally small operators which engaged the battle, and its Goliath ceded the field, at least for the time being, after about 18 months. As of the close of evaluation monitoring, the larger organization types appeared to be abdicating the convenience markets to the smaller firms in order to focus their efforts on the traditional telephone request and repeat business where price competition is effective. It is an unresolved question, in any case, whether the large firms could drive the smaller ones away from these markets through price competition alone.

The majors also perceive themselves as inhibited from raising prices, moreover, since they have an existing (presumably price-sensitive) clientele to support. Where they depend for their profits on lease revenues, moreover, they cannot control operating costs by limiting supply (reducing shift lengths or numbers, or imposing operating restraints) since they will only forfeit their lease revenues in the process. Nonetheless, they are not immune from inflation. If regulation previously held rates artificially low then the large firms confront an added constraint in attempting to stave off increases, whether to starve out the competition or prevent decreases in their own ridership, since they had a pre-existing rate to maintain. On the other hand, the larger firms' reliance on lease--rather than shift--revenues insulates them

from the ups and downs of the marketplace which they pass on to their lease drivers and to which owner-operators are also subject.*

4.2.4 Variability of Rate Offerings and Potential for Passenger Confusion and Abuse

4.2.4.1 Variability of Rates and Frequency of Rate Changes - Under the new code, taxi operators may file new rates as often as they choose. In practice, however, very few companies have filed more than 2 rates in any 12-month period. All company types have filed at least one rate change per year over the two and a half years since variable pricing, as shown in Table 4-13. The fleets have changed rates slightly more frequently than the smaller firms while still maintaining their lower rates, likely owing to their greater longevity and smaller incremental increases.

The two largest entities, Yellow Cab and the CO-OP, have maintained their rates over extended periods, 18 months in the first case and two years in the second. The frequency of rate filings among other company types, however--particularly the other fleets--suggests variability involving up to half of the industry. The potential for passenger complaints and abuse is therefore considerable. Only anecdotal evidence exists to evaluate the extent of fare-related complaints and abuses, however.

The volume of passenger complaints relating to variable pricing (as well as short-haul refusals) among airport taxi operators reportedly led to the mid-1980 moratorium on airport taxi permits and prompted the Port

*The absence of reliable operating cost information from a representative sample of local taxi operators prevents assessment of the relative profitability of these different approaches in practice. A comparison of the current rates of companies which have left the industry with those of continuing firms of comparable size as well as with the ongoing industry average suggests that a low rate may participate in a small firm's demise (see Table B-3). It should be noted, however, that closing companies may have interrupted service some time before actually leaving the industry and that therefore their rate filings may be out-dated.

TABLE 4-13 RATE FILINGS PER COMPANY BY COMPANY TYPE BY YEAR SINCE VARIABLE PRICING

Company Size Types	1979			1980			1981		
	Number of Filings	Number of Companies	% of all Companies	Number of Filings	Number of Companies	% of all Companies	Number of Filings	Number of Companies	% of all Companies
Yellow Cab (280-281 cabs)	1	1	100%	1	1	100%	1	1	100%
CO-OP (31-94 cabs)	40	31	74%	19	17	33%	15	13	26%
Other Fleets (4-32 cabs)	11	8	80%	22	13	100%	19	12	63%
Mini-Fleets (2-3 cabs)	10	6	100%	16	10	77%	42	29	69%
One-Cab Firms	70	52	88%	90	77	80%	112	97	87%
Total	132	98	84%	148	118	67%	189	152	76%

District to advocate limits on airport taxi rates. No recorded complaints data has been made accessible to the evaluation, however. Signs announcing that local taxi rates vary were posted near the airport taxi queues by the City to minimize abuses of the unwary.

City of San Diego Traffic Division officers also reported that most of their taxi complaints are fare-related. But, since most emanate from visitors to the San Diego area who either lack the time or the impulse to file a formal complaint or who will likely not be present to testify at court hearings, little formal documentation is recorded. In any event, since individual taxi rates varied only as much as 45 percent between the extreme high and low points, and the majority of all taxi vehicles operated at the lower rates, the actual differences in price would generally be small except for longer trips (over 6 miles).*

Another source of passenger confusion and potential for abuse exists in the variation between airport and other city or county rates. Some taxi operators suggested that unscrupulous drivers in dual-metered taxicabs can easily throw the flag for the city rate rather than the airport rate on pulling away from the airport terminal. Relatively few vehicles are dual-metered, however. On the contrary, it appears that the majority offer a single rate for all jurisdictions in which they are licensed (see section 4.2.5).

4.2.5 Price Competition and Innovation

The experience of open rate setting in San Diego has included direct competition between the two largest fleet organizations. Several of the other older fleets also followed their lead in maintaining their rates below the industry average.

***This is likely why the airport was a chief focus of fare-related complaints.**

Both the major associations have reportedly offered discount coupons to repeat customers as a promotional gambit. Indeed, the fact that this practice was illegal under the new paratransit ordinance--although it was precisely the sort of innovation the regulators wanted--eventually led to removal of the maximum rate and provision for fare bargaining in October 1980. According to the new code provisions, each operator's filed rate becomes an individual maximum, under which passengers may bargain for fares with the taxi driver. (This practice was reportedly already common albeit illegal, with some taxi companies--especially the smaller ones--filing high rates but then running the trip off the meter at the passenger's request.)

By late 1980, 21 companies comprising 41 vehicles had filed zone-based rates for shared-ride services. Only one fleet-type operation did so; nine of the CO-OP's 50 members filed slightly differing rates. There were also three mini-fleets and eight other one-cab firms. Most filed the city's suggested rates of \$2.00 for the first zone and \$1.00 for the second. (The single fleet filed \$1.00 + \$1.00). To date, however, and despite a substantial early effort on the part of the Paratransit Administration to prepare zone maps and establish a rate schedule which was advantageous to both taxi operators and passengers, no company has actually operated zone-based shared-ride service.

Forty-one companies representing about 58 vehicles have filed per capita fares for specific point-to-point trips. All were either one-cab or mini-fleet type operations.* Termed "group rate," these fares applied to 5 passengers sharing a taxicab as the taxi operator's alternative to their splitting the meter. These services ran on a non-scheduled, quasi-fixed-route basis and were limited to 10 specified routes, usually between local military installations or between the bases and the airport or downtown. They were most popular toward the latter half of 1980.

*Ten were CO-OP members and 8 ICOA members; neither association had a uniform policy on group rates or zone-based fares.

Owing to servicemen's complaints that these rates ended up costing them more than twice as much as their share of the meter rate--the run between the airport (SDI) and the 32nd Street naval base would average about \$6.50 on the meter* and cost up to \$4.50 per person group rate--the military took action. As of the second quarter of 1981, most of the group ride taxicabs were prohibited from making pick-ups on the bases. A very few companies (one each for four routes) offered reasonable group rates, but these were penalized with the others. Some operators may have continued to pick up passengers nearby but off the base since these services did not violate city code, but the discontinuation of these filings suggests that most of these services were interrupted. (Table B-4 presents the number of companies offering each route and the average group rate fare in effect by quarter.)

Complete data on jitney-type operations, routes and especially rates has not been available to the evaluation until recently, so longitudinal comparisons of jitney rates are not possible. Information recently compiled indicates relatively little price competition, however. Where specific routes have more than one carrier, prices generally do not differ by more than \$0.50 (on a \$3.50 trip, for example).

There are two noteworthy exceptions. Rates filed for the Antrak Depot to International Border run vary from \$0.90 for a newly-permitted single-vehicle operator to \$4.00 for its large veteran competitor. A veteran taxi company operating several border area jitney routes has recently proposed to carry San Diego Trolley passengers from the trolley terminus in San Ysidro to the border entrance for \$0.50 compared to \$2.50 for its larger rival. Table 4-14 lists the fares offered by the various companies operating jitney routes.

*At that time.

TABLE 4-14 JITNEY FARES BY ROUTE AND ROUTE-TYPE IN SAN DIEGO: JANUARY 1982

<u>Route and Route Type</u>	<u>Number of Companies</u>	<u>Fares Filed (\$)</u>
Military:		
Downtown-No. Island	4	1.00, 1.25
32nd St. Naval-Downtown	3	0.75, 1.00
SDI-NTC or 32nd St. Naval	1	3.25
NTC-Downtown	1	0.60
SDI-Harbor Island	1	1.00
NTC-Naval Air Station	1	1.00
Airport (SDI):		
Downtown-SDI-Mission Valley	2	3.50*
Downtown-SDI-Pt.Loma-Mission Bay	3	3.50, 4.00*
SDI-Hotel Circle	2	3.40, 3.50
SDI-Downtown Hotels	1	3.50
SDI-Harbor Island	1	2.00
Border:		
SDI-Border	1	10.00 (15.00 RT)
Amtrak-Border	2	0.90, 4.00 (7.50 RT)
Border-Beyer Boulevard	1	0.80
Trolley Terminus-Border Entrance	2	0.50, 2.50
San Ysidro-Valle Hi/Travelodge	1	3.00 (5.00 RT)
Sightseeing and Shopping:		
Village Shuttle (LaJolla)	1	0.25
Clairemont-Downtown	1	35.00/mo.
Downtown-Zoo	1	1.00
Sightseeing Shuttle	1	Prices by Distance:
(Hotel Circle - Old Town - Seaport Village-Zoo-Seaworld- San Ysidro)		1.50-3.50

*No Rate information for one operator

No other instances of price competition, such as off-peak discounts, nighttime or long-haul return surcharges have come to light. Information on contract or charge account rates offered to large commercial clients has not been available to the evaluation.

4.2.6 Effect of Airport Rules on Taxi Pricing Practices

Average rate segments filed within company groups by quarter by companies seeking to do business at San Diego International Airport (SDI) present a similar picture to that for city taxi rates. The smaller and newer firms tend to have the higher rates, although the variation is not as great as among city filings, owing to the +20% ceiling on airport rates. The most recent quarter's city rates for the five-mile trip average 4 percent higher than airport rates. (Tables B-5 and B-6 present the airport rate segments filed by quarter within company groups and by veteran compared with new operations for purposes of comparison.)

The airport rules may have held city rates down, too, as multi-jurisdictionally-licensed taxi companies attempt to avoid the need for dual metering capability. A large number of city taxi operators abandoned the airport starting in late 1980, either in response to the permit fee or the limitations on rates, and average city taxi fares have increased slightly more rapidly since 1981 than previously.

Only 43 companies have filed airport rates which are different than their city rates, indicating that as many as 23 percent of all companies possess dual metering capability.

Figure 4-4 illustrates the progressive rise in airport taxi rate segments and in the weighted average 7.4 mile airport-connected taxi passenger trip. The weighted average fare rose 36 percent between August 1979 and December 1981 compared with a 47 percent rise in the city fare and a 51 percent increase in the local CPI between July 1979 and the close of 1981.

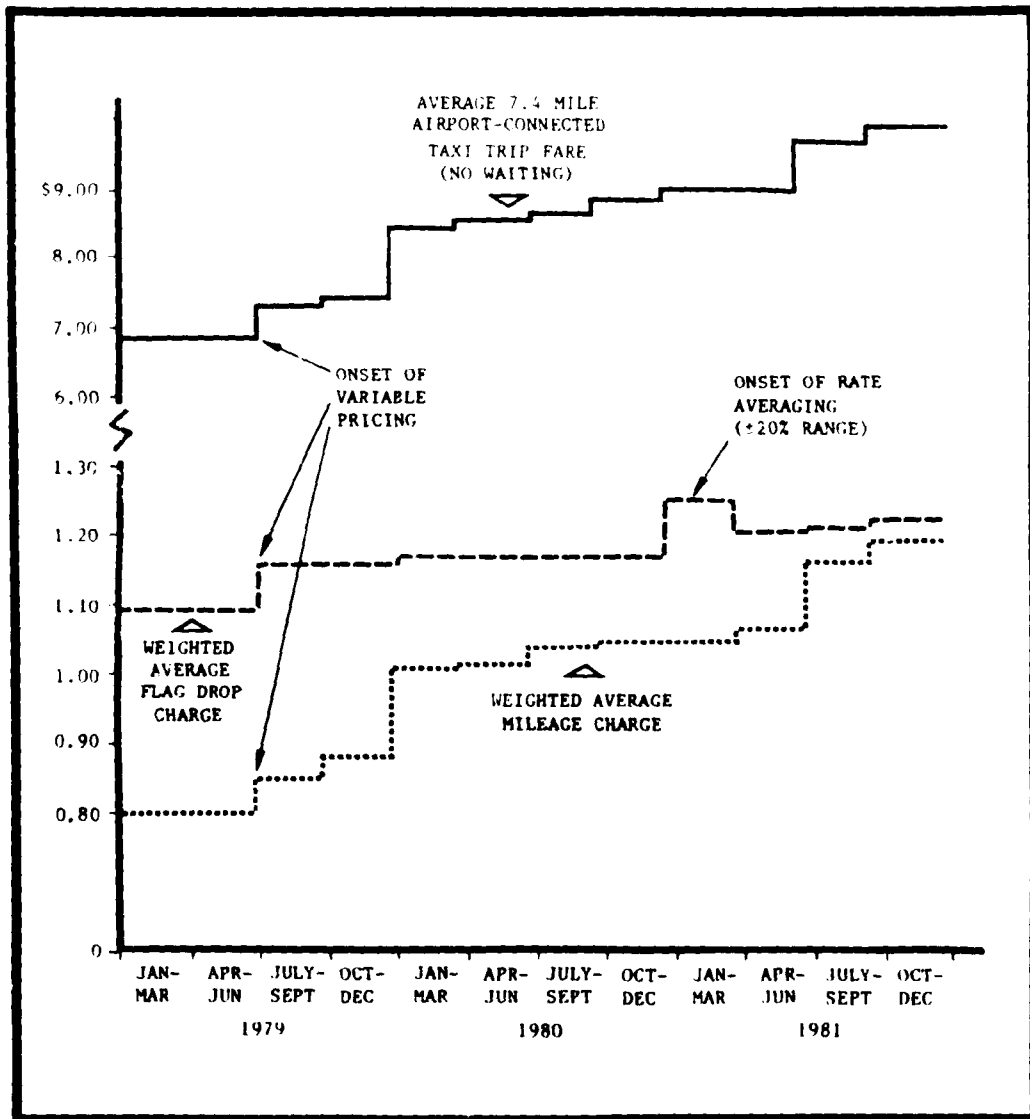


FIGURE 4-4 CHANGE IN SAN DIEGO AIRPORT TAXI RATES AND AVERAGE TRIP FARE BY QUARTER SINCE VARIABLE PRICING

4.2.7 Effect of County Regulations

San Diego County implemented variable pricing with no maximum limitation slightly ahead of the city, but limited the frequency with which county taxi operators could change their rates to twice a year. The county had traditionally accommodated the municipalities, especially San Diego, by permitting multi-jurisdictionally-licensed operators to charge whatever rates were prescribed in their other permit areas. Thus the county rules do not affect city taxi pricing practices directly, but only insofar as operators holding permits in more than one municipal jurisdiction would need to maintain a low rate to avoid the need for multiple metering.

4.3 CHANGES IN OPERATING PRACTICES

This section describes changes in taxi operating practices attributed by industry members to increased competition following open entry. Included are discussions of labor aspects, dispatching procedures and utilization of taxi stands. A preliminary description of organizational types and service orientations provides essential background for the evaluation's quantitative results. Much of this information derives from personal interviews with local taxi operators.

4.3.1 Member Associations and Service Organizations

The two membership associations present fundamental differences in their organization and operating practices.

4.3.1.1 Cab Owners' Cooperative Association (CO-OP) - CO-OP management contends that open entry has allowed the association to expand operations and consolidate its bell business. Now says management, CO-OP is competitive in terms of response times and service coverage while its lower rates, driver courtesy, and reliability are attracting riders--and its higher productivities, lease drivers--from other companies. Data

from taxi trip sheets and PPS survey results reported in subsequent sections of this report tend to support some of these contentions.

Since many CO-OP members hold more than one permit, operations include many lease-driven shifts. About 80 percent of the owners drive at least some of the time, but their shifts vary from seven to twelve hours and not all drive as much as five days a week. (The trip sheet data suggest that CO-OP owners drive relatively short shifts.) Members maintain closely similar rates for their exclusive ride service. Monthly dues of \$150 per vehicle are assessed to cover radio service.

Since mid-1981, the CO-OP has been participating along with four other taxi companies in the city-sponsored dial-a-ride program providing medical trips to supplement the basic van-type service. The taxi operators provide about 80 supplemental trips a day. Management also speaks optimistically of embarking upon computer-dispatched shared-ride service using the city's zoned-based fare matrix, but this idea has yet to become a reality.*

The association's expanded ranks permitted it to engage in package and luggage delivery** and other contract services. Management estimates that the CO-OP's commercial accounts, including conventions and services to large employers and major hotels in the area now account for over 50 percent of their total revenues. The added services result in part from new promotional efforts since open entry: directory advertising, flyers and discount coupons for repeat customers and personal visits to local enterprises to solicit their transportation business.

*CO-OP contracted with the city during early 1982 to provide taxi feeder service to SDTC bus routes in selected areas; it was the only taxi company to bid on the service.

**This service has been interrupted pending resolution of State PUC licensing requirements.

The CO-OP's potentially most innovative services to date are its taxi-based jitney-type services along SDTC routes, primarily from eastern San Diego through downtown to the beach. The routes served include both those which have been abandoned by SDTC and others where service cut-backs have produced lengthened headways. Fares are \$1.00 per person (compared with \$0.60 regular fare and \$0.75 express fare on the bus) and the service is run, like jitneys, on a shared-ride basis. Pick-ups are from bus stops; informal signs identify the vehicles to the travelling public.

Although this kind of service appears to offer the kind of innovation sought by the regulatory revisors, its operation remains controversial. First, the Paratransit Ordinance prohibits soliciting by taxi drivers, and the city could interpret the informal pick-up arrangement as soliciting. Second, the taxi vehicles involved are operating as jitneys but with taxi, rather than jitney licenses, a practice discouraged by the previous Paratransit Administrator, who also frowned upon fixed-route taxi services. (The fixed-route filings collected by the P/TA evidently do not include these routes, moreover.) Finally, SDTC opposes the service since the cabs are using designated bus stops (a legal practice) and compete directly with SDTC buses.

4.3.1.2 Independent Cab Owners Association (ICOA) - ICOA dues are \$100 per month for the first cab and \$60 for each additional cab, which covers radio service, plus \$50 and \$10, respectively, supplemental advertising fee. Few ICOA members have more than one cab; the association included one fleet-sized operation with 5 vehicles as of December 1981. Thus most ICOA vehicles are driven by their owners, most for eight to ten hours a day (with interruptions for personal business) five days per week. Few member vehicles are leased out for a second shift.

Member vehicles carry the same logo but rates vary somewhat (not all members are actively on the association's radio) and operations are not as centrally organized as they are in CO-OP. The larger dues pool

has permitted the ICOA to purchase new radio equipment and to support a full-time dispatcher (since mid-1980) in contrast to its previous UHF simplex frequency and telephone answering service. But ICOA does not emphasize the bell business. Many members still focus their operations chiefly on the airport and other high-demand cabstands in Point Loma and the downtown area where most of the tourist-oriented business is. Nearly all ICOA members carry airport stickers.

The association engages in some services as a fleet, however, including establishing charge accounts for large resort hotels and employers as well as offering a "finder's fee" to hotel personnel referring passengers to ICOA. ICOA is currently pursuing State PUC licensing to permit its developing a package delivery service as well, although members previously asserted that this kind of service was beyond the association's small size and loose organization. Representatives said the association also planned to bid to assume the Lemon Grove (East County) dial-a-ride service abandoned by a small taxi company.

Although the association assesses members an advertising fee, it had not developed its advertising program at this writing--although many members advocate an aggressive approach. The association had tried newspaper advertisements, the telephone yellow pages and a discount coupon promotion, and was seeking more productive techniques aimed directly at specific market segments.

4.3.1.3 Association for Group Insurance - Local insurer development of group insurance packages at advantageous rates also provided the impetus for unaffiliated owner-operators and smaller fleet operators to associate. Two of the newer fleets have taken on "associate" members either to make up the minimum 20 vehicles necessary to group insure or to provide the necessary cabs to develop their telephone request business and the added capitalization to maintain or improve support functions. Associate

members may obtain radio dispatch services from the fleet; fees range from about \$25 to \$60 per month. One fleet owner conducted an active search for owner-operators possessing sufficiently safe driving records and invited them to associate in a group insurance package, offering free radio service and a 30-day lease as inducements. The other fleet looks to its best lease drivers for potential associates.

Individual operator liability insurance costs through the state assigned risk pool have risen sharply over the past 18 months after levelling off somewhat during 1980. An added burden is the city's October 1981 increase in its personal injury and property damage coverage limits (reported in section 3.2.3). These developments provide added incentive for operators to group insure at substantial savings over individual rates. Before the recent rise in city coverage requirements, operators reported their liability rates had risen from about \$1,700 per vehicle per year during 1977 to \$2,600 to \$2,700 per vehicle per year during mid-1981. Most of the rise has evidently occurred since 1980.* Under a group policy, per vehicle costs approximate \$1,800 per annum, which is lower than large fleet rates and represents savings of up to 33 percent over the higher individual costs. The new coverage limits required by the city represent a further 10 to 15 percent increase (an average \$250 per year) per vehicle.

4.3.1.4 Other Forms of Association - The ease of obtaining a taxi permit in contrast to the comparatively high cost of getting a vehicle on the road has contributed to another form of "association." One fleet owner who has garnered a large number of new permits reportedly sells

*Costs reported are remarkably similar for both companies and independent operators and the majority are insured by a single agent. Both fleets and independents reported costs about \$1,800 per vehicle per year through 1979. One of the larger fleets which self-insures for the first \$50,000 damages reported average costs of \$1,350 per vehicle per year for this first \$50,000, plus \$650 per vehicle for supplementary coverage up to \$2 million in mid-1981.

the permit and equipment to his lease drivers on a "pay as you go" basis. These operators work under a financing contract with the fleet owner to operate at his discretion and on his dispatch (paying all applicable radio and lease fees) while making monthly installments toward the purchase price of the taxi vehicle. These arrangements too often favor the fleet owner, who succeeds in transferring all of the risk of taxi ownership under an expanding market to the prospective buyer.*

4.3.1.5 Fleet Operator Innovations - One of the veteran fleets based in the San Ysidro area has branched out into fixed-route, jitney-type service between the border and the downtown area and between the border and the residential areas below Chula Vista. This service represents a departure from management's prior view of the limited potential for taxi- and van-based services. The service takes advantage of the heavily-travelled tourist corridor for shoppers from both Mexico and California, linking up with the new San Diego Trolley service. It also supplies basic service to the local residential community experiencing cutbacks in its bus transit service. And it takes direct action against non-licensed ("gypsy") taxis and vans scooping up pedestrians along the border by supplying a readily identifiable, scheduled service.

One of the newer fleet organizations of several partners operates somewhat as a membership association in that radio as well as other services are provided to about 10 "associates" who pay a \$210 monthly fee. Services include group insurance, radio-dispatching, availability of mechanics, Yellow pages advertising and fleet purchase of parts. Associates may lease their vehicles on the company radio. Management targets increased capacity as essential for solidifying the bell business, currently running at 50-60 percent of all trips, or twice its original level. The company still identifies the Pt. Loma and northerly area as

*P/TA staff revealed that some 30 taxi drivers, mostly lessees of this firm, were arrested during June 1982 on charges of drug dealing, perhaps in their desperate effort to meet these expenses.

its primary turf but collects about 10 percent of its trips from the airport and between 30 to 40 percent from cabstands in other parts of the city.

According to management, the company's airport operations have been hampered by a lack of dual metering capability. It wants to retain its relatively low city rate but thinks the long waits at the airport warrant a higher fare. Consequently, it is currently field-testing (for the maker) a meter which registers multiple fares, in exchange for the equipment on completion. The meters will also register multiple fares for shared-riding, which management contends should be meter-based. A company spokesperson also advocated establishment of a holding area for shared-ride service from the airport.

4.3.2 Labor and Lease Aspects of Local Taxi Operations

Nearly all of San Diego's fleet operations are driven by lessee drivers. Yellow Cab and La Jolla Cab company still retain some employee drivers (about 25 percent of drivers with the larger company) who work on a commission basis (average 48 percent of the meter less \$0.10 per trip to cover fringe benefits) or at the minimum wage. La Jolla's recent initiation of lease operations represents a significant departure from its traditional standing as the sole remaining employee-driven operation in the city. The lessees are evidently being used to supplement the basic operation, driving fewer than five shifts a day. Employee drivers work eight to ten hour shifts while lease drivers rent the vehicle for a minimum of twelve hours.

Since unionization has little to offer the owner-operator or lessee driver (considered an independent contractor in most lease arrangements), few San Diego taxi drivers maintain membership in the Transportation and Allied Workers of California Union's local chapter. Never dominant, the union has been considerably weakened since the 1976 Yellow Cab drivers

strike by the growing numbers of independent owner-operators and the conversion of virtually all the pre-existing fleet operations to leasing.

From 80 percent to 90 percent of owner-operators drive their own cabs for one shift a day; very few drive more than six days per week. Some lease their vehicle out for a second shift, but the proportion is evidently small. Utilization rates calculated from the trip sheet data submitted by the different companies (and reported in section 4.4) suggest that most of the smaller company vehicles are out for less than one shift per day on average. Many owner-operators believe that the added maintenance and insurance costs incurred when their vehicle is operated by lessee drivers exceed the lease revenues obtained. Spouses and other family members help to keep the vehicle on the road during especially busy periods.

Independent permit holders with multiple taxicabs lease their vehicles like the veteran fleet operations do. Average lease fees have not risen since open entry, owing to competition for lease drivers in an expanding industry. There is considerable variation among companies' terms on the basis of their valuation of their vehicle and radio services and their estimate of what the current market will bear. The fleets charge from \$17 to \$25 for 12 hours, not including gas and mileage charges, which bring the average cost of renting a taxi vehicle to about \$35 a shift. Lease fees reported among owner-operators vary from \$20 for a 12-hour shift to \$25 or \$35 without gasoline for a 24-hour period. Station wagons and newer vehicles--some mini-fleet operations boast Mercedes and Peugeot vehicles--lease at a premium of up to \$50 per day.

Many companies require weekly commitments from their lease drivers to ensure regularity of service (and income), although most drivers still pay their lease fees on a daily basis, at the end of the day. Weekly rates generally include no discount on daily fees.

Fleet owners complained about the quality, scarcity, and rapid turnover among lease drivers and described conditions since open entry in terms of a lessee's market. These reports characterize many lessees as free to learn the taxi business (and abuse company rules and regulations) while waiting to obtain their own permit. They can readily shift to another company on reprimand from their present lessor, since their services are in such demand. (No complaints of lessees' defaulting on lease payments reached the evaluation, although companies which provide repair and maintenance services report an increase in their bad debts.)

All company types have protested the city's taking action to suspend or revoke permits in response to violations perpetrated by lease drivers since the companies contend they cannot effectively control driver behavior. (The usual argument on appeal is to accuse the city of depriving the owner of his means of livelihood, and the case is the same for continuing to use drivers with previous violations.) Protests have focussed recently on the new airport enforcement procedures which provide for suspension and revocation of airport permits for driver infractions of airport rules.

4.3.3 Dispatching Procedures

The City of San Diego requires two-way radio dispatch capability of all taxi vehicles permitted since October 31, 1976. Most of the veteran fleet vehicles were radio-equipped and operate on the company's own frequency.* Independent owner-operators meet the requirement in a variety of ways. The original members of CO-OP and ICOA formed their associations chiefly to provide for joint radio dispatch capability. The CO-OP has maintained full-time dispatching since before open entry. The ICOA purchased a new radio in mid-1980 to replace its old UHF simplex frequency and telephone answering service.** It currently supports 24-hour dispatching.

*A few vehicles licensed prior to October 1976 were excluded via a "grandfather" provision.

**See the project interim report. op. cit., p.38, for details on early post-open entry dispatching practices as well as operations in general.

The associations estimate they are receiving from 75 to 100 calls per day; estimates from the newer fleets vary from about half to about four times that number.

Two of the veteran fleet operations rent radio services to independent subscribers at about \$30 per month. Two of the new fleet-associations also lease radio services to associate members, independent permit-holders allied in joint operation and/or group insurance (as previously noted); fees vary from nothing to \$210 per month. Many fleets refuse to rent radio service in order to maintain their competitive edge and attractiveness to lease drivers. Owner-operators not on a radio service meet the city requirement with a pocket beeper and telephone answering service. Although these approaches fulfill the letter of the law and keep operators in touch with their "personals" (or repeat customers), they do not provide a primary source of trips.

A major development reported by a variety of taxi operators since open entry is their emphasis on the telephone request (or bell) market in preference to airport and other stand-hail business. Two of the newer fleets and both the CO-OP and the ICOA stressed the importance of telephone requests as the backbone of a taxi operation. This is in contrast to reports (especially from the membership groups) throughout 1979 and 1980 of the primary attraction of the airport and other high demand stand and street-hail locations to a majority of their drivers. Both associations report sizeable decreases over the same time period in their average proportion of all trips originating at the airport--from about 90 percent to about 80 percent in the case of the ICOA and from 75 or 80 percent to less than 50 percent for the CO-OP (see section 4.5 for results over the nearer term). A chief factor in this reorientation for both associations has been their gradual increase in both membership revenue --to provide for better radio equipment and support for round-the-clock dispatching--and the vehicles necessary to cover telephone requests on wide geographic basis.

Several problems continue to inhibit the newer and smaller companies' development of the bell business as well as size. Many operators reported that lease drivers typically ignore or refuse to answer bells when the pick-up point is too far away or unpromising for a return trip. Even if the call is from a busy area or for a potentially long-haul trip, drivers may assume the fare will have been captured by another company's vehicle by the time they get there. Drivers also protested that customers call more than one cab company and take the taxi that arrives first, or exaggerate their trip distance to guarantee service. A new operation's aim to develop elderly and handicapped-oriented service was caught in the middle. The lease drivers likely would not take the bells until they proved more profitable than other pick-ups; the operator could not develop the bell business without the drivers' cooperation.

4.3.4 Utilization of Taxi Stands

Information on taxi company utilization of cabstands derives from a survey of taxi stand activity conducted for the evaluation in August and September of 1980. There are no "before" data for comparison.

4.3.4.1 Number, Capacity and Traditional Use of Cabstands - San Diego has some 135 designated cabstands with capacities varying from one to six or eight spaces each. About one-quarter are located in the downtown area. In addition are two larger stands at the east and west terminals of Lindbergh Field, the San Diego International Airport, plus a back-up queue, producing a combined capacity for 52 vehicles. Although some stands in particular areas are traditionally more or less exclusive to a specific company, the highest demand stands are generally used by all companies. Drivers report they habitually stretch stand capacities by using adjacent spaces as waiting areas despite the risk of citation for illegal parking. The new Paratransit Ordinance provides for taxi operators

to petition for additions to taxi stands (on payment of a \$50 fee); however, no instances of such petitions have been disclosed.* No new taxi stand spaces have been added since open entry, despite operator complaints that the popular stands are overcrowded.

Yellow Cab company's traditional practice in using stands is typical of some of the other veteran fleet operations. Certain stands are designated as holding areas from which to dispatch vehicles in response to telephone requests. After dropping off a fare, the driver is supposed to go to the nearest designated taxistand to wait for a call. On receiving a telephone request, the dispatcher radios his vehicles at the two closest taxi stands before putting the call out over the radio. This practice reduces mileage costs incurred in cruising for hire. According to Yellow's management, over 60 percent of its telephone request trips are typically dispatched from stands. Overcrowding of stands as a result of open entry interferes with this practice and threatens to raise mileage costs.

Operating procedure at the stands was and is traditionally first-in, first-out. Variable pricing has not undermined this basic principle, although passengers occasionally select cabs behind the first on the basis of rates or other preferences. The major problems with the first-in, first-out principle have been at the airport.**

4.3.4.2 Differences in Stand Utilization by Company Type - A survey of activity at selected high-demand taxi stands during August and September of 1980 observed taxi vehicle arrivals from 128 companies (77 percent of all companies then in operation) and verified that single-cab companies were using these stands more frequently than any others. Table 4-15

*Designated parking areas for taxis at some of the local naval installations were at least temporarily closed to taxicabs when fixed-route taxis were forbidden to operate at the bases.

**An altercation resulting in the stabbing of one driver by another arose over a backloading incident during August of 1980; this episode has been unique to date.

TABLE 4-15 TAXI VEHICLES OBSERVED AT SELECTED TAXI STANDS BY COMPANY SIZE
TYPE: AUGUST-SEPTEMBER 1980

Company Size	Observed at Taxi Stands				Active in Local Industry		
	# of Firms Observed	% of Existing Firms	# of Cabs Observed	% of all Cabs Observed	# of Firms	# of Cabs	% of All Cabs
Yellow (large fleet)	1	100.0%	346	23.3%	1	281	46.8
Other Fleets (4 cabs or more)	12	85.7	470	31.8	14	140	23.3
Mini-Fleets (2-3 cabs)	20	83.3	136	9.2	24	51	8.5
One-Cab Firms	<u>95</u>	<u>74.2</u>	<u>528</u>	<u>35.7</u>	<u>128</u>	<u>128</u>	<u>21.3</u>
Total	128	76.6%	1,480	100.0%	167	600	100.0%

displays the number of taxi vehicle arrivals observed by company size type as a percentage of all arrivals and in comparison with the company type's share of all taxi permits.

One-cab companies were recorded on the stands in far greater proportion than their share of all industry permits, representing 36 percent of all cabstand vehicle observations but only 21 percent of all industry permits. Other fleets were observed next most frequently, representing 32 percent of all vehicles observed on stands and 23 percent of all taxi permits, followed by vehicles from the industry's smallest category, mini-fleets. Yellow Cab was observed at the stands only about one-half as frequently as its share of all permits. This finding is in keeping with management's report that the company is abandoning busy stands because of overcrowding since open entry.

The ratio of recorded observations per operating permit (the number of taxicabs theoretically available to appear on the stands) by company size provides a simple comparative measure of taxi stand utilization among different company types. One-cab companies produced 4.1 stand appearances per vehicle during the survey while Yellow cabs made 1.2 stand visits per vehicle, on average. Other fleets used the stands nearly three times as frequently as Yellow cabs (3.4 appearances per permit) moreover, while mini-fleets with 2.7 observations per permit visited the stands more than twice as often as Yellow cabs but less frequently than either of their other counterparts.

Table 4-16 shows the distribution of taxi vehicle arrivals by company size type for each of the stands included in the survey and re-emphasizes the smaller companies' concentration on the airport. Majorities of the one-cab and mini-fleet vehicles observed (60% and 59%, respectively) were recorded at the Lindbergh Field stands, compared with 27 percent of all Yellow vehicles observed and 41 percent of vehicles from other fleets. (Note that the East Terminal stand is 2.5 times as large as that at the West Terminal.)

TABLE 4-16 TAXI VEHICLE ARRIVALS AT SELECTED CABSTANDS BY COMPANY TYPE

Cab Stand Location	Approximate Capacity (Vehicle Spaces)*	Number and % of Taxi Vehicle Arrivals by Company Type									
		Yellow #	Yellow %	Fleets #	Fleets %	Mini-Fleets #	Mini-Fleets %	One-Cab Firms #	One-Cab Firms %	Total #	Total %
Horton Plaza (Downtown)	1-4**	20	6.3	13	3.2	2	1.6	6	1.3	41	3.0
Greyhound Station (Downtown)	3-10	38	11.9	82	20.1	15	12.0	86	18.6	221	17.0
Amtrak Station (Downtown)	6	39	12.2	42	10.3	8	6.4	39	8.4	128	10.0
Naval Training Center	3	33	10.3	46	11.3	23	18.4	35	7.6	137	10.0
32nd Street Naval Station	1-8	88	27.6	16	3.9	1	0.8	2	0.5	107	8.0
Lindbergh Field (SDI) West Terminal	8+12	27	8.5	71	17.5	32	25.6	111	24.0	241	18.0
Lindbergh Field (SDI) East Terminal	20+12	59	18.5	96	23.6	42	33.6	168	36.4	365	28.0
International Border (San Ysidro)	1-4	15	4.7	40	9.8	2	1.6	15	3.2	72	5.0
Number of Cases		319	100.0%	406	100.0%	125	100.0%	462	100.0%	1,312	100.0%

*Capacities stated include adjacent parking and loading areas local taxi operators report they habitually use at these stands; all spaces were observed for the survey.

**Three designated stands in immediate vicinity

Indeed, over three-quarters of the smaller company vehicles observed were observed in only two locations each. Nearly half of the mini-fleet vehicles not recorded at the airport were observed at the Naval Training Center stand, a finding which is consistent with this group's foray into the military-oriented fixed-route taxi service. A similar proportion of the remaining one-cab firm vehicles congregated at the Greyhound Station, likely the city's second best source of potentially long-haul (inter-city travel-connected) trips after the airport itself. Yellow cabs are heavily represented at the 32nd Street Naval Station, where the company maintains a parking lot in addition to the eight taxi vehicle spaces.

Although the stands were heavily used, productivity remained high. Over 82 percent of all taxicab vehicles observed leaving the stands left with passengers. Of the 18 percent observed leaving the stands without passengers, however, only about one-fifth were observed to be dispatched on call. Most belonged to Yellow and the other fleets; the rest simply left empty. Evidently such popular stands as these are not used as holding areas for radio-dispatched calls. Only 3 percent of all unengaged taxi vehicles observed arriving at the cabstands were cruise-bys, moreover; the overwhelming majority were able to obtain places in the taxi queues.

All company types were more or less equally successful in picking up fares at the stands. From 72 percent of Yellow and other fleet vehicles to 77 percent of one-cab company vehicles left with passengers. The small but significant difference is likely explained by the larger companies' having alternatives for finding trips elsewhere. Thus 10 percent of the Yellow vehicles and 5 percent of the other fleets' cabs were observed to be dispatched on call compared with only 1 percent of the mini-fleet and one-cab vehicles.*

*The disparity with Yellow management's estimate of 62 percent of all trips dispatched from stands is not surprising in that the stands observed were the high-demand variety the company says it now tries to avoid.

The smaller companies waited longer for their trips than their larger counterparts, however, an added indication that they had no place else to go for trips. Table 4-17 shows mean taxi vehicle wait times in minutes by company size type and vehicle disposition. All vehicles observed waited longer to pick up passengers than if they left on call or simply left. (Those which were dispatched or decided to look elsewhere generally waited from 12 to 14 minutes with little variation across company types.) But the one-cab firms waited longer than all other groups, spending 10 minutes longer at the stands than Yellow Cab vehicles (which had the shortest waits) and six minutes longer than other fleets.*

Taxi wait times observed averaged 23 minutes and varied from 13 minutes at the 32nd Street Naval Station to 30 minutes at the airport's West Terminal, as shown in Table 4-18. The Greyhound and Amtrak Stations and airport terminals involved significantly longer waits than the Naval Training Center and other stands. Taxi drivers were evidently willing to put up with these waits in hopes of obtaining a longer trip from these stands. It should be noted that the longer waits observed are 2 to 3 times shorter than average waits reported by industry members throughout 1980 and early 1981, especially in the airport taxi queues. Due to lack of manpower, the survey only included the forward airport taxi queues. These stands represent less than half of all airport taxi spaces. If the average taxi took 23 to 30 minutes to transit one of the forward queues its total wait time from arrival into the back-up queue likely exceeded 100 minutes. (Taxi passenger wait times at cabstands are discussed in sections 4.4 and 5.0.)

*A surprising result is that vehicles whose arrival or departure time was not observed by the surveyor, that is, who either were already at the stand when the survey shift began or remained when it ended, experienced longer waits on average than vehicles whose arrival and departure were both observed. Our hypothesis is that these waits include taxicabs parked at the stands during drivers' rest, lunch or dinner breaks erroneously recorded by the surveyors as in the taxi queues. Note that nearly 95 percent of the vehicles recorded as dispatched on call belonged to Yellow Cab or other fleets, the two one-cab and one mini-fleet vehicles recorded as observed dispatched were likely recorded erroneously.

TABLE 4-17 TAXI VEHICLE WAIT TIMES (MINUTES) AT CABSTANDS BY COMPANY SIZE TYPE AND STATUS

Company Size Type	Mean Taxi Vehicle Wait Times By Taxi Vehicle Disposition			Wait Time Not Fully Observed		Company Means*
	Left Empty (Dispatched on Call)	Left Empty (But Not Dispatched)	Left With Passengers	Vehicle Arrived Before Survey Began	Vehicle Remained After Survey Ended	
Yellow Cab	8.9 (58.8%)	13.8 (25.9%)	17.8 (23.6%)	21.1 (19.2%)	16.9 (11.2%)	16.8 (23.6%)
Other Fleets	11.9 (35.3%)	12.5 (30.0%)	22.9 (30.0%)	25.7 (34.1%)	26.1 (35.3%)	21.9 (31.1%)
Mini-Fleets	8.0 (1.9%)	12.0 (13.5%)	21.0 (9.1%)	30.2 (10.8%)	16.1 (6.0%)	20.3 (9.3%)
One-Cab Firms	3.0 (3.9%)	14.5 (30.6%)	28.5 (37.2%)	38.6 (35.9%)	33.2 (47.4%)	28.7 (35.9%)
All Companies	9.7	13.4	23.6	29.9	27.8	22.99
Number of Cases	51	170	940	167	116	1,444
Std. Deviation	8.2	15.1	20.2	19.6	35.1	23.1

*Includes vehicles whose wait times were not fully observed.

TABLE 4-18 TAXI VEHICLE WAIT TIMES (MINUTES)
BY CABSTAND LOCATION

<u>Location</u>	<u>Average Taxi Wait Time</u>	<u>Sample Sizes</u>	<u>Standard Dev.</u>
Horton Plaza	15.6	38	18.7
Greyhound Station	24.8	363	34.5
Amtrak Station	22.9	124	16.0
Naval Training Center	18.6	132	14.5
32nd Street Naval Station	12.8	106	13.2
Airport West	29.8	225	20.6
Airport East	22.6	357	14.8
International Border	22.6	69	21.6
Total	23.0	1,414	23.1

4.4 CHANGES IN OTHER TAXICAB LEVEL OF SERVICE MEASURES

Unlike conventional transit, where service policies are determined by the operator, taxicab level of service characteristics such as availability, geographic service coverage and response time are highly dependent upon the volume and temporal and spatial distribution of demand.* The presence of a taxicab within the radius of any passenger's acceptable response time depends upon there having been another trip with similar temporal and spatial characteristics. Therefore, aggregate level of service measures such as total weekly shifts or hours of service are also inevitably measures of demand in that the taxi driver--particularly the lessee driver or owner-operator--exercises some control over output.

*This discussion is adapted from Carla Heaton *et al.*, "Impacts and Effectiveness of Third-Party Vanpooling," in CURRENT STATUS OF RIDESHARING ACTIVITIES, Transportation Research Record 823, 1981, pp. 31ff.

That is, the driver may target service to busy time periods or particular locations, or drive only as long as needed to clear a certain profit over costs. (San Diego imposes no minimum operating requirements.) Thus, the total number of taxi permits is an insufficient measure of service supply.

The following section focusses upon changes in various taxicab level of service measures since open entry. The data findings reported derive chiefly from an analysis of sample data from taxi driver trip sheets for the months of August 1979 and 1980. Other sources include findings of the three-round Passenger Profile Survey (PPS), a survey of activity at selected taxi stands in San Diego, and a survey of taxi company response times to telephone trip requests. Appendix A describes the sampling designs and data adjustments used.

4.4.1 Changes in Aggregate Service Supply

Although taxi service supply increased with industry growth under open entry, the industrywide total of taxicab shifts supplied did not increase commensurately with the 30 percent increase in taxi medallions between August 1979 and August 1980. On the basis of sample data from taxi operator trip sheets for both years, the industry as a whole supplied 3,510 taxicab shifts per week in 1979 and 3,870 shifts per week in 1980, an increase of 10.3 percent. The rate of increase in shifts supplied was less than that in permits because of an average drop in taxi vehicle utilization --the number of shifts provided per cab per day--over the year. Industry average daily vehicle utilization declined from 1.08 to 0.92 shifts per cab, a 14.8 percent drop. That is, there were 30 percent more vehicles, but each vehicle was only providing 85 percent as much service. On the other hand, total industry hours of service per week rose from 33,950 to 39,780, a 17.0 percent increase, as the average taxi shift lengthened.

Figure 4-5 compares the cumulative distribution of days in service during the month for all taxi vehicles in August 1979 and 1980. Note that where 50 percent of all vehicles were in service at least 21 days of the 31 in 1979, half of the larger fleet worked no more than 18 days out of the month in 1980. Similarly, where the top 25 percent of all taxi vehicles were in service 26 days or more in 1979, this fourth quartile worked as few as 24 days in 1980.

Taxi operating data compiled by the city's rate analyst prior to open entry do not document the industry total of shifts. A rough estimate of shifts per week can be obtained on the basis of the annual industry total of paid trips divided by an average of fourteen trips per shift reported for that time by local taxi operators. This approach yields estimates of 3,190 total industry shifts per week in 1977 and 3,350 shifts per week in 1978, with a 5 percent rise between the two years. (The industry was likely growing slightly during this period as some of the 62 original owner-operators licensed in 1977 gradually commenced service.) On this basis, the 1979 industry total of shifts per week represents another 5 percent rise over 1978 levels, coincident with a 10 percent rise in the number of taxi medallions over the first eight months of open entry.

4.4.1.1 Changes in Taxi Vehicle Utilization by Company Group - Table 4-19's display of average taxi vehicle utilization rates by day of week and company group for August 1979 and 1980 documents the general decline in industry shifts per cab per day. Although the number of taxi medallions increased in all company groups, only ICOA members and the unaffiliated mini-fleets--the two smallest company groups and those with the smallest sample sizes in either year--show increases in their average daily vehicle utilization between 1979 and 1980. CO-OP member operators show the smallest decline in their daily vehicle use while the unaffiliated one-cab firms show the largest. Both groups experienced large increases in their shares of all taxi permits during the year. Either these expanding companies are not fielding all of their vehicles or there is an increase in part-time taxi operation.

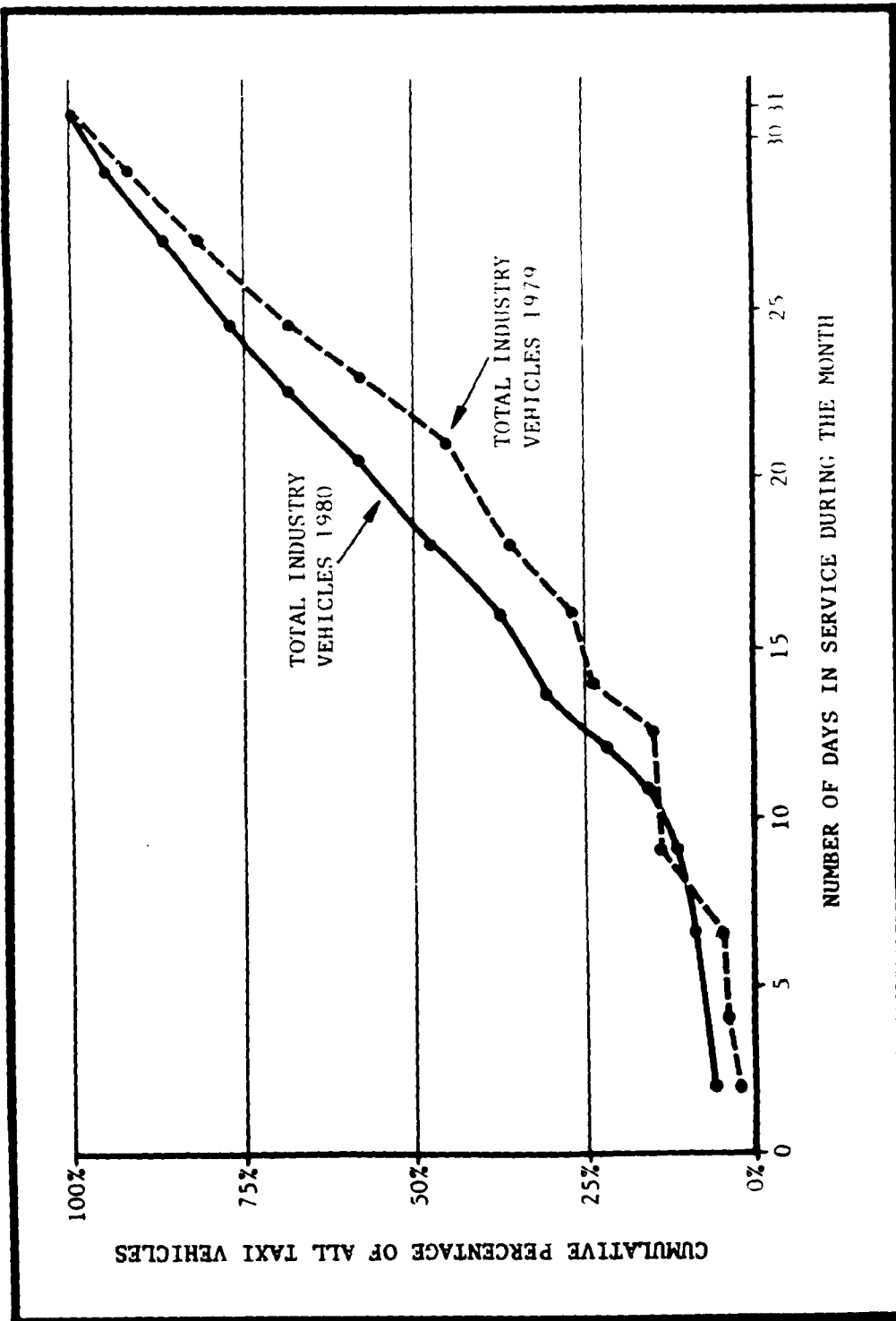


FIGURE 4-5 CUMULATIVE DISTRIBUTION OF DAYS IN SERVICE FOR ALL INDUSTRY VEHICLES: AUGUST 1979 & 1980

TABLE 4-19 TAXI VEHICLE UTILIZATION RATES (SHIFTS PER CAB PER DAY)
 BY DAY OF WEEK AND COMPANY GROUP: 1979 and 1980

Day of Week	COMPANY GROUP													
	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	79	80	79	80	79	80	79	80	79	80	79	80	79	80
Weekday (Mon-Thurs)	1.21	1.01	0.75	0.74	0.65	0.73	1.28	1.00	0.79	0.95	0.88	0.64	1.14	0.91
Friday	1.28	1.32	0.93	0.88	0.77	0.92	1.26	0.98	0.71	1.23	0.92	0.77	1.20	1.09
Weekend (Sat & Sun)	0.94	0.89	0.81	0.67	0.46	0.64	1.02	1.05	0.57	0.84	0.88	0.63	0.92	0.84
Total Daily	1.15	1.02	0.80	0.74	0.62	0.73	1.20	1.01	0.69	0.96	0.89	0.66	1.08	0.92
Sample Sizes (Shifts)	724	652	254	463	78	123	562	585	39	117	357	385	2014	2327
(Vehicles)	39	39	23	47	9	12	29	37	4	9	29	44	133	188

Although both Yellow Cab and the other fleets showed a significant decline in their average daily vehicle utilization rates, these two groups continued to maintain the industry's highest vehicle utilization levels. Both groups operated at least one full shift per vehicle per day, seven days a week on average, compared with four or five days of service per week in most of the other company groups. The larger operations are typically limited only by the availability of lease drivers, while the one-cab companies are more dependent upon the capacity of the individual owner-operator. It may also be that the larger companies' trip sheet records are more complete.

It should be emphasized, however, that none of the company groups documented double shifts for even 55 percent of its fleet in either year, despite operator claims that two shifts per cab per day is common practice.* Although owner-operators and small company owners admit that only a minority of their cabs are leased for a second shift, apparently as few as 60 percent of their vehicles were operated for even one full shift per day (i.e., four days per week) in 1980.

4.4.1.2 Changes in Taxi Vehicle Utilization Among Veteran and New Permit Holders - Table 4-20 presents vehicle utilization rates for veteran compared with new permit holders and suggests that it is primarily the veterans who account for the declines in vehicle utilization. While Yellow Cab usage drops from 1.15 to 1.02 shifts per cab per day, the other veterans' utilization drops from 1.11 to 0.81 shifts. In contrast the new permittees--those obtaining their first San Diego taxi permit since open entry--increase their average daily vehicle utilization rate from 0.58 to 0.87 shifts per cab per day between 1979 and 1980.

*Only one (fleet-sized) operator approached two shifts per cab per day in 1979 only. Two mid-sized veteran fleets had average vehicle utilization rates of 1.45 in both years.

TABLE 4-20 TAXI VEHICLE UTILIZATION RATES BY DAY OF WEEK AND OWNER TYPE: 1979 and 1980

Day of Week	OWNER TYPE					
	Yellow Cab (Veteran) 79 80	Other Veterans 79 80	New Owners 79 80	Total Industry 79 80		
Weekday (Mon-Thurs)	1.21	1.16	0.79	0.54	0.87	1.14
Friday	1.28	1.18	0.85	0.66	1.01	1.20
Weekend (Sat & Sun)	0.94	0.97	0.81	0.61	0.81	0.92
Total Daily	1.15	1.11	0.81	0.58	0.87	1.08
Sample Sizes (Shifts)	724	1063	897	227	778	2014
(Vehicles)	39	75	69	19	80	133
						2327
						186

4.4.1.3 Changes in Vehicle Utilization by Day of Week - In personal interviews conducted throughout the evaluation, local taxi operators emphasized Friday as the single most productive day in the week and that when most operators are working. Taxi vehicle utilization rates and the proportions of shifts supplied by the different company groups by day type tend to support this assertion. Almost all of the company groups showed their highest use rates on Friday in 1979, and almost all maintain their highest vehicle utilization on Friday in 1980, regardless of whether they increase or decrease their overall vehicle utilization. The other fleets are the sole exception, evidently treating Fridays like any other weekday in 1979 (average vehicle utilization of 1.28 for weekdays without Fridays compared with 1.26 on Fridays). The data from 1980 suggest this group is shifting its emphasis to weekends (1.05 shifts per cab per day compared with 0.98 and 1.00 for Fridays and other weekdays, respectively).

CO-OP members Friday vehicle utilization drops from 0.94 to 0.88 but still remains their highest of all day types. Their weekend service apparently drops off (from 0.81 to 0.67 shifts per cab).* The ICOA members, unaffiliated mini-fleets and unaffiliated one-cab firms emphasize Fridays in both years.

4.4.1.4 Changes in Company Group and Owner Type Shares of Total Taxi Shifts - Tables 4-21 and 4-22 present each company group's percentage share of average weekly shifts supplied by day of week in 1979 and 1980. Both of the membership associations, the other fleets and the two smaller operation types--all of which increased in number of permits over the year--increased their shares of weekly shifts between 1979 and 1980. Their growth was chiefly at the expense of the major fleet operator. CO-OP members show the greatest increase in share of all weekly shifts, from 6 percent to 11 percent, while Yellow declined from 65 percent to 52 percent. This finding is consistent with Yellow's management's

*Not having to work on the weekends may be a measure of CO-OP member operators' success during the week; see section 6.5.

TABLE 4-21 NUMBER AND PERCENTAGE SHARE OF SHIFTS BY DAY OF WEEK AND COMPANY GROUP: AUGUST 1979

Day of Week	COMPANY GROUP										Total Industry			
	Yellow No.	Yellow %	CO-OP No.	CO-OP %	ICOA No.	ICOA %	Other Fleets No.	Other Fleets %	Unaffiliated Mini- Fleets No.	Unaffiliated Mini- Fleets %		Unaffiliated One-Cab No.	Unaffiliated One-Cab %	
Average Weekday (Mon-Thurs)	340	64.5	30	5.7	8	1.5	111	21.1	6	1.1	32	6.1	527	100.0%
Average Friday	359	64.7	37	6.7	10	1.8	110	19.8	5	1.0	33	5.9	555	100.0%
Average Weekend Day (Sat & Sun)	265	61.8	35	7.6	6	1.4	89	20.8	4	1.0	32	7.4	431	100.0%
Total Weekly Shifts	2244	63.9	222	6.3	55	1.6	731	20.8	35	1.0	224	6.4	3511	100.0%
Sample Sizes	724		254		78		562		39		357		2010	

TABLE 4-22 NUMBER AND PERCENTAGE SHARE OF SHIFTS BY DAY OF WEEK AND COMPANY GROUP: AUGUST 1980

Day of Week	COMPANY GROUP										Total Industry			
	Yellow No.	Yellow %	CO-OP No.	CO-OP %	ICOA No.	ICOA %	Other Fleets No.	Other Fleets %	Unaffiliated Mini- Fleets No.	Unaffiliated Mini- Fleets %		Unaffiliated One-Cab No.	Unaffiliated One-Cab %	
Average Weekday (Mon-Thurs)	285	52.0	59	10.8	16	2.9	122	22.2	17	3.1	49	8.9	548	100.0%
Average Friday	370	56.0	70	10.6	20	3.0	120	18.2	22	3.3	59	8.9	661	100.0%
Average Weekend Day (Sat & Sun)	251	49.2	53	10.4	14	2.7	128	25.1	15	2.9	49	9.6	510	100.0%
Total Weekly Shifts	2010	51.9	413	10.7	112	2.9	863	22.3	120	3.1	352	9.1	3870	100.0%
Sample Sizes	652		492		125		585		117		387		2358	

reports of its difficulty in finding and retaining sufficient qualified lease drivers to field its vehicles as former lessees obtain their own taxi medallions under open entry. (The company's productivity has also been eroded, see section 6.5.) On the other hand, Yellow Cab experienced the smallest increase in its total size (1 permit) over the year and the largest decrease in its permit share, from 60 percent to 47 percent of all medallions.

4.4.1.5 Changes in Proportions of Day and Night Shifts - The industry as a whole ran 65 percent of all shifts in mostly daytime hours in 1979 compared with 59 percent in 1980.* The increase in the industry proportion of mostly nighttime shifts is principally owing to Yellow Cab, which increased its nighttime service throughout the week but especially on weekends, as shown in Table 4-23. Yellow's general increase in nighttime service likely relates to its increasing number of twelve-hour leases.

On the other hand, many operators targetted their nighttime service to the most productive parts of the week. CO-OP members increased their Friday nighttime service from less than a tenth to a third of all their shifts (7% in 1979 to 33% in 1980). The other fleets' proportion of Friday nighttime shifts rose from less than a third (30%) in 1979 to nearly half (49%) in 1980, while their proportion of weekend nighttime shifts rose from 32 percent to 37 percent. The mini-fleets share of weekend nighttime shifts rose from 29 percent to 40 percent while its total weekly proportion of nighttime shifts went from 17 percent to 29 percent.

*When a taxi fleet's objective is to provide continuous service, ideally the time boundaries of shifts overlap one another. Owner-operators, moreover, operate at their own discretion, lengthening or shortening a given shift on the basis of its productivity. In order to provide for a comparison of day and night service, the evaluation categorized shifts as mostly day if the majority of their total hours was logged before 6 pm (1800 hours) and mostly night if afterwards.

TABLE 4-23 PROPORTION (%) OF DAY AND NIGHT SHIFTS BY DAY OF WEEK AND COMPANY GROUP: 1979 and 1980

Day and Shift Period	COMPANY GROUP										Total Industry			
	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets			Unaffiliated One-Cab		
	79	80	79	80	79	80	79	80	79	80		79	80	
Weekday														
Day	65.0	59.1	77.6	75.9	44.0	100.0	67.7	68.5	93.8	73.3	78.9	88.3	66.3	63.7
Night	35.0	40.9	22.4	24.1	56.0	-	32.3	31.5	6.2	26.3	21.1	11.7	33.7	36.3
Friday														
Day	56.7	51.4	92.9	66.7	33.3	66.7	69.8	51.0	75.0	71.4	70.0	91.7	60.1	53.0
Night	43.3	48.6	7.1	33.3	66.7	33.3	30.2	49.0	25.0	28.6	30.0	8.3	39.9	47.0
Weekend														
Day	62.3	47.2	69.6	78.6	28.6	90.0	68.5	63.4	71.4	60.0	62.5	71.4	63.3	53.6
Night	37.7	52.8	30.4	21.4	71.4	10.0	31.5	36.6	28.6	40.0	37.5	28.6	36.7	46.4
Total														
Day	63.1	54.6	77.3	75.7	37.0	70.5	68.2	64.4	83.3	71.4	73.9	85.2	64.6	59.4
Night	36.9	45.4	22.7	24.3	63.0	29.5	31.8	35.6	16.7	28.6	26.1	14.8	35.4	40.6
Sample Sizes	724	652	254	463	78	123	562	585	39	117	357	385	214	2327

New and veteran permit holders (other than Yellow) each devoted about 30 percent of their total weekly shifts to nighttime hours in 1979. The veterans increased their average nighttime shifts to 35 percent of all shifts in 1980, however, while the new permittees increased daytime service, and their nighttime shifts declined to 21 percent. Both groups increased their proportions of nighttime shifts on Fridays, however, which were close to half of all Friday shifts (46%) in 1980 for the veterans and just under a third (31%) for the new permit holders. There are no comparable pre-open entry data on the average weekly proportions of day and night shifts.

4.4.1.6 Changes in Aggregate In-Service Hours - The San Diego taxi industry provided 33,950 hours of service per week or 4,850 taxicab hours per day in August 1979, and 39,780 hours per week or 5,680 hours per day in 1980. That is, the average taxicab operated 9.9 hours per day in 1979 and 8.9 hours per day in 1980.

Although fewer shifts were being run per vehicle in 1980 than in 1979, taxi hours of service increased 17 percent because of two primary factors. First is the increase in the total number of vehicles providing service. Second is an increase in taxi shift lengths from 9.5 to 10.3 hours (about three-quarters of an hour), chiefly owing to the longer shifts of the majority supplier.

Figure 4-6 shows the cumulative distribution of hours in service per vehicle per day for all of the vehicles in the fleet for 1979 compared with 1980. Note that the overall comparison is the reverse of that for days in service per vehicle. That is, more vehicles were in operation for more hours in 1980 than in 1979. Where 50 percent of all vehicles were running over nine hours per day in 1980, half of the fleet operated for less than eight hours per day in 1979. Similarly, the upper 25 percent of all vehicles were running at least ten and a half hours a day in 1980, compared with about nine and a half in 1979.

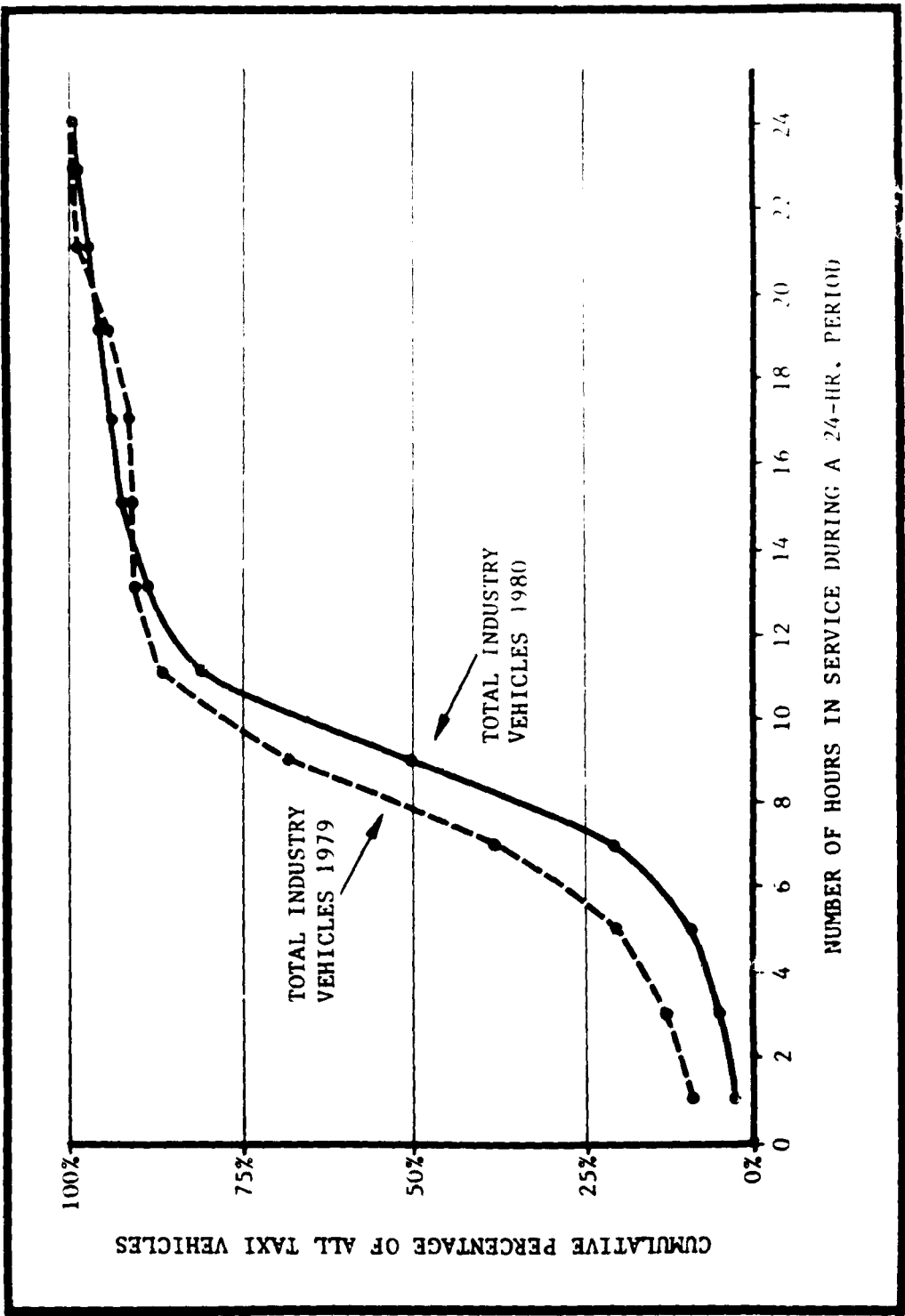


FIGURE 4-6 CUMULATIVE DISTRIBUTION OF HOURS IN SERVICE PER DAY FOR ALL INDUSTRY VEHICLES: AUGUST 1979 & 1980

Anecdotal evidence of veteran operators suggests average shift lengths of nine hours in 1977-78, prior to open entry. Thus, the 1979 results may represent as much as a 5 percent increase in average industry shift lengths over pre-open entry levels. At nine hours per shift and 1.15 shifts per cab per day, the industry would have supplied about 4,250 total in-service hours and 10.4 hours per vehicle per day in 1978.

4.4.1.7 Changes in Shift Lengths by Company and Owner Type - Table 4-24 presents mean shift lengths in hours by company group and day type for both years, and demonstrates that the increase in total in-service hours is chiefly due to the longer shifts of Yellow Cab. Nearly all of the other company groups have shorter average shifts in the second year. That these groups do not show increases in their shift lengths since open entry counters--at least for the very near term--both the reported trend toward leasing 12- and 24-hour shifts and operators' contentions that they had to run longer shifts to make a profit after open entry. In fact, new permittees showed very slightly longer shifts than veterans (other than Yellow Cab) in 1980, especially on Fridays, when the new permit holders ran 10.7 hours per shift compared with 9.5 for the veterans.

4.4.1.8 Summary Comparison of Level of Service with Company Group Share of all Permits - Tables 4-25 and 4-26 provide a convenient summary of various level-of-service measures for 1979 and 1980 by company group in comparison with the group's share of all taxi permits. All groups maintain shares of the average total weekly shifts and in-service hours which are generally in proportion to their permit shares in both years. Thus the primary change between the two years is the increase in all other company groups' shares of permits and service at the expense of Yellow Cab. Yellow's permit share declined from 60 percent in 1979 to 47 percent in 1980 while its share of total weekly shifts supplied dropped from 64 percent to 52 percent and its share of weekly in-service hours dropped from 61 percent to 35 percent.

TABLE 4-24 AVERAGE SHIFT LENGTH (HOURS) BY DAY OF WEEK AND COMPANY GROUP:
1979 and 1980

Day of Week	COMPANY GROUP													
	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	79	80	79	80	79	80	79	80	79	80	79	80	79	80
Average Weekday	9.0	10.6	10.2	9.6	15.7	10.6	9.8	9.0	9.3	11.7	10.7	9.2	9.3	10.2
Average Friday	9.7	10.8	10.2	10.2	16.3	9.4	10.0	9.6	11.2	10.5	10.9	11.7	9.9	10.6
Average Weekend Day	9.5	10.8	11.2	10.7	13.8	9.9	9.9	9.0	13.8	10.4	11.4	10.5	9.8	10.3
Total	9.3	10.7	10.5	9.9	15.5	10.2	9.8	9.1	10.7	11.3	10.9	9.8	9.7	10.3
Sample Sizes	724	652	254	463	78	123	562	585	39	117	357	385	2014	2327
Group Std. Deviation	4.21	4.43	5.42	3.76	7.67	2.76	5.03	2.72	6.34	2.27	6.04	3.95	4.59	4.09

TABLE 4-25 SUMMARY OF 1979 LEVEL OF SERVICE MEASURES WITH COMPANY
GROUP SHARE OF ALL TAXI PERMITS

<u>Company Group</u>	<u>No. and % of all Taxi Permits</u>	<u>No. and % of Total Weekly Shifts</u>	<u>No. and % of Total Weekly in-Service Hours</u>	<u>Weekly Shifts per Permit</u>	<u>Weekly Hours in Service per Permit</u>
Yellow Cab	280 (60.4%)	2,244 (63.9%)	20,760 (61.1%)	8.0	74.1
CO-OP	40 (8.6%)	222 (6.3%)	2,310 (6.8%)	5.6	57.8
ICOA	13 (2.8%)	56 (1.6%)	880 (2.6%)	4.3	67.7
Other Fleets	87 (18.8%)	731 (20.8%)	7,180 (21.1%)	8.4	82.5
Unaffiliated Mini-Fleets	7 (1.5%)	35 (1.0%)	370 (1.2%)	5.0	52.9
Unaffiliated One-Cab Companies	36 (7.8%)	224 (6.4%)	2,450 (7.2%)	6.2	68.1
Total	463 (100.0%)	3,511 (100.0%)	33,950 (100.0%)	7.6	73.3

TABLE 4-26 SUMMARY OF 1980 LEVEL OF SERVICE MEASURES WITH COMPANY
GROUP SHARE OF ALL TAXI PERMITS

<u>Company Group</u>	<u>No. and % of all Taxi Permits</u>	<u>No. and % of Total Weekly Shifts</u>	<u>No. and % of Total Weekly In-Service Hours</u>	<u>Weekly Shifts per Permit</u>	<u>Weekly Hours in Service per Permit</u>
Yellow Cab	281 (46.8%)	2,010 (51.9%)	21,480 (54.5%)	7.2	76.4
CO-OP	80 (13.3%)	413 (10.7%)	4,100 (10.4%)	5.2	51.3
ICOA	22 (3.7%)	112 (2.9%)	1,140 (2.9%)	5.1	51.8
Other Fleets	122 (20.3%)	863 (22.3%)	7,860 (19.9%)	7.1	64.4
Unaffiliated Mini-Fleets	18 (3.0%)	120 (3.1%)	1,330 (3.4%)	6.7	73.9
Unaffiliated One-Cab Companies	77 (12.8%)	352 (9.1%)	3,450 (8.8%)	4.6	44.8
Total	600 (100.0%)	3,870 (100.0%)	39,780 (100.0%)	6.45	66.3

The most dramatic growth in permits was among the unaffiliated single-cab companies and the CO-OP. CO-OP members accounted for 9 percent of all permits in 1979 and 13 percent in 1980, while their share of service increased slightly more rapidly. CO-OP provided 6 percent of total weekly shifts in 1979 and 11 percent in 1980, and 7 percent and 10 percent, respectively, of total weekly in-service hours. The unaffiliated one-cab firms increased their permit share from 8 percent to 13 percent, while their shares of weekly shifts and in-service hours rose from 6 percent and 7 percent, respectively, to 9 percent.

Yellow Cab is the only company category to consistently provide a larger share of average weekly service than its proportionate share of permits. Indeed, both Yellow Cab and the other fleets provide higher service levels per permit in both years than the other company groups: eight shifts per permit and 74.1 and 82.5 in-service hours per permit per week, respectively, in 1979; and seven shifts per permit and 76 and 64 in-service hours, respectively, per permit per week in 1980. These company groups have the greatest stake in high vehicle utilization, however, since the majority of their revenues derive from taxi shift leases rather than directly from shift revenues. (Over three-quarters of Yellow Cab's operation is lease while nearly all of the other fleets operate solely on a lease basis.)

In contrast, service levels of the smaller companies and particularly the single-cab operations are more strictly limited to the capacities of the individual owner-operator.* These permit holders generally provide four or five shifts per permit per week, and drive from 9 to 11 hours per shift. It is noteworthy that in 1980 the mini-fleets were providing per-permit service levels approximating

*The reluctance of owner-operators to incur the added maintenance and insurance costs represented by leasing their vehicle out for a second shift and the finding that lease revenues often do not cover these costs have been well documented.

those of their much larger competitors, as more of their shifts were leased on a regular basis. Thus the minis provided five shifts and 53 hours per permit and per week in 1979, compared with seven shifts and 74 hours in 1980.

4.4.2 Changes in Geographic Service Coverage

The available data are insufficient for estimating geographic taxi service coverage in terms of ratios of vehicles, shifts or in-service hours by geographic area or major demographic distributions. All San Diego operations are required to be radio-dispatched and thus, theoretically, to provide citywide service. But practice necessarily varies, with larger fleets targetting broader areas and small companies concentrating on particular districts. To the extent that taxi service supply is inherently demand-responsive, these service characteristics are measures of demand as much as of supply, as previously noted.

Anecdotal evidence from taxi industry members and the results of the trip sheet analysis--limited as these indicators may be--suggest little or no increase in total geographic service coverage and generally little to outlying residential areas. The largest operator supplying citywide service did not increase in size, while the two largest of the smaller fleets do not claim to provide citywide service. One targets the Point Loma and Ocean Beach areas (whose service may therefore have improved) while the other's service is more or less at the discretion of the individual lease driver. Stand hail survey results indicate there was an oversupply of taxicabs at the airport and other major downtown and hotel area stands. The more recent de-emphasis of these locations by the largest fleet and the largest membership association in favor of the telephone-request business suggests an increased supply of service to residential areas. Increased passenger wait times for service requested by telephone, especially to the outlying areas (and reported in section 4.4.4), have apparently improved. The proliferation of fixed-route

services between the military bases and between the international border area and the residential settlements north of San Ysidro have intensified service coverage in these areas. These services were initially taxi-based and are now provided chiefly by "jitneys"; three of the jitney operations are operated by taxi permit holders. (Data on specific taxi trip origins and destinations are presented in section 5.3.)

4.4.3 Changes in the Proportions of Telephone Request, Street-, Stand-Hail and Airport Service

Trip records from three rounds of in-vehicle taxicab passenger profile surveys conducted in November, 1978, 1979, and 1980 provide an estimation of changes in the proportions of telephone-request, street- and stand-hail service since open entry.* Table 4-27 presents the proportion of each service type observed among the four primary company size types for the three years of surveys. (Note that CO-OP and ICOA members are included chiefly among one-cab companies in 1978 and 1979, and among fleets, mini-fleets and one-cab companies in 1980.)

The overriding change observed is a substantial downward shift in the proportion of telephone-requests--from 59 percent to 48 percent of all trips recorded over the three years. Both street- and stand-hail business grew equally at the expense of the telephone-request segment. Except for the single-cab companies (including some CO-OP and ICOA members who were reportedly attempting to build their bell business, as noted), the bell share apparently dropped in each of the other company size types: Yellow's phone business declined from 67 percent to 55 percent, the other fleets dropped from 47 percent to 38 percent.**

*Conventional taxi trip sheets provide space for drivers to record the type of trip initiation, but very few drivers did so. Thus the trip sheets are not a useful locus of this data.

**These findings contradict the large operators' statements that from 75 percent to 80 percent of all their trips are from telephone requests. Many of the fleets' bell trips are dispatched from stands, however, as reported in section 4.3. The discrepancy could result from the surveyors' having recorded many of these actually telephone-request trips as originating from stands.

TABLE 4-27 PROPORTION (%) OF TELEPHONE REQUEST, STREET- AND STAND-HAIL TRIPS BY COMPANY SIZE:
NOVEMBER 1978, 1979, and 1980

Trip Origin- tion Mode	Yellow Cab		Other Fleets		Mini-Fleets		One-Cab Companies		Total	
	78	79	78	79	78*	79*	78	79	78	79
Telephone Request	66.5	55.0	47.4	57.8	-	-	20.5	13.2	59.3	51.9
Street-Hail (cruise)	9.8	17.2	12.6	15.1	-	-	47.7	1.5	13.0	15.3
Stand-Hail	23.7	27.7	40.0	27.1	-	-	31.8	85.3	27.7	32.8
Total Trips	460	487	135	192	-	-	44	68	673	672
Sample Sizes	460	487	135	192	-	-	44	68	673	672

*No mini-fleet operations existed in 1978, none participated in the survey in 1979.

The largest share of the one-cab firms' business in both 1979 and 1980 (85% and 53%, respectively) was stand-hail; stand-hails also accounted for 40 percent of the mini-fleets' service in 1980. The street-hail (cruise) business accounted for an increased share of other fleets' service (37% in 1980 up from 13% in 1978) and about one-third (35%) of business for the mini-fleets in 1980, but only a relatively small share of Yellow trips in any year.

A rise and subsequent decline in the industry overall proportion of airport service documented by the PPS is consistent with operator contentions. Both the other fleets and one-cab companies but primarily the latter increased the proportion of their business derived from the airport in 1979. The one-cab companies' airport trips constituted nearly two-thirds (62%) of their business in 1979. By Fall 1980, however, airport service comprised only a little over a third (38%) of this group's total trips. This is consistent with CO-OP and ICOA members' reports that they are shifting focus away from the airport toward the telephone-request business. The airport represented a steadily decreasing share of Yellow Cab's trips over the three-year period, declining from 19 percent to 14 percent. The other fleets maintained the airport proportion of their total trips at about one-quarter.

Between 1979 and 1980, all company groups but the mini-fleets significantly lowered their average number of airport-connected trips logged per shift. As Table 4-28 shows, the overall industry average of airport trips per shift dropped from 3.6 to 1.9. Yellow Cab drivers averaged three airport trips per shift in 1979, compared with one in 1980. The other fleets' shifts went from nearly four to two airport trips. Both CO-OP members and unaffiliated one-cab companies booked nearly five airport trips per shift in 1979 but CO-OP firms captured only three, and one-cab companies only four, airport-connected trips per shift in 1980. ICOA members continued to book the highest numbers of airport trips of all company groups despite the largest decline in airport trips from eight trips per shift in 1979 to five trips per shift

TABLE 4-28 AVERAGE NUMBER OF AIRPORT TRIPS PER SHIFT BY COMPANY GROUP: 1979 and 1980

Airport- Connected Trips per Shift	COMPANY GROUP												
	CO-OP		ICOA		Other Fleets		Unaffiliated Mini- Fleets		Unaffiliated One-Cab		Total Industry		
	79	80	79	80	79	80	79	80	79	80			
2.95	0.98	4.94	3.23	8.07	5.16	3.82	2.03	4.71	3.83	4.78	3.73	3.63	1.88
724	652	254	463	78	123	562	585	39	117	357	385	2014	2327
Std. Deviation	5.56	2.39	2.87	2.41	3.50	2.53	2.45	3.36	3.20	3.17	2.56	4.69	2.70

in 1980. This result more likely relates to the oversupply of taxicabs at the airport and its de-emphasis in company operations than to any large scale drop in demand for airport taxi service. (Section 5.3 presents a detailed discussion of changes in the geographic trip patterns.)

4.4.4 Service Availability in Terms of Taxi Response Times and Passenger Waits

Surveys of taxi company response times to telephone requests for service, of taxicab and passenger activity at selected taxi stands and of on-board taxi travellers provide a variety of sources for estimating changes in service availability in terms of service refusals and passenger wait times since open entry.

Survey results indicate an early deterioration in taxicab response times to passenger requests for service by telephone. Response Time and Passenger Profile results from November 1979 yield average passenger wait times of about 13 minutes, up from 10 minutes in 1978. Response times had improved to 8 minutes by November 1980.

The 1979 data suggest that a San Diego taxi patron faced a one-in-five chance of frustration in attempting to obtain service by telephone. About 18 percent of all calls placed in November 1979 were either refused by the dispatcher or resulted in a taxicab no-show, compared with 5 percent of all calls placed to a smaller selection of operators in June 1976.* Results of the earlier survey indicate that 72 percent of the 1976 calls were responded to within 15 minutes, compared with less than 60 percent in 1979.

*The comparison here is tenuous, as the earlier survey was aimed at large operations only. Indeed, results of both RTS surveys should be interpreted cautiously, since survey costs constrained the number and length of trips which could be taken--actual paid taxi trips needed to be taken to prevent disclosure. The emphasis on short trips likely introduces some bias toward non-response by taxi companies.

Neither set of findings meets the city's performance standard for taxi response to telephone requests for immediate service: a minimum 80 percent of the calls to be met within 15 minutes; a maximum 15 percent to be met in between 15 and 30 minutes; a maximum 5 percent to be met in between 31 and 45 minutes. (No standard for refusals and no-shows was established.)

The 1979 RTS also provides for comparisons of response times by geographic area and day of week, as shown in Table 4-29. Most of the seven areas show mean response times within 15 minutes. Not surprisingly, the downtown area to Hotel Circle South, one of San Diego's busiest for taxicab service, shows the shortest response times (8.7 minutes compared with 13.10 minutes citywide average). Weekends are generally slower than weekdays, which is consistent with the lower levels of taxicab service available on the weekends in 1979.

The outlying northerly (Rancho Bernardo - Del Cerro) and easterly (East San Diego - Encanto) areas experienced longer waits than others (17.1 and 15.5 minutes on average, respectively), as well as 12 to 15 percent no-shows. Both areas show particularly long waits on weekday nights. On the other hand, the survey results do not verify alleged discrimination in taxi service against "Southeast," an area of high ethnic minority population, beyond its outlying status. The area's proportion of no-shows is the survey's highest, but Clairemont (equally far from the downtown) has a higher proportion of outright service refusals. The sample sizes are too small to demonstrate statistical significance.*

Results of the survey of activity at selected taxicab stands conducted in August-September of 1980 suggest that supply was more than adequate to meet demand at these locations. Passenger waits rarely exceeded one minute (the time it took to board the cab) during both morning and

*The proportion of resident taxi riders who are black rose from 15 to 22 percent between 1978 and 1980, however; see section 5.2.

TABLE 4-29 MEAN RESPONSE TIMES AND PERCENTAGE OF NON-RESPONSE BY DAY OF WEEK, TIME OF DAY AND GEOGRAPHIC AREA: NOVEMBER 1979

Response Time (Minutes)	Rancho	Clairmont-	La Jolla-	Ocean Beach-	Downtown-	East San Diego	San	Total
	Bernardo- Del Cerro	Hotel Circle North	Mission Beach	Pt. Loma Shelter Is.	Hotel Circle So.	SDSU-South- east-Encanto	Ysidro- Border	
Weekdays	15.07	12.67	12.90	5.56	4.55	11.05	13.0	10.9
Weeknights	20.45	12.65	9.70	15.89	7.44	20.29	13.0	14.7
Weekend Days	17.50	12.40	17.00	12.00	10.80	15.50	-	14.7
Weekend Nights	15.20	12.88	13.20	5.50	16.17	17.75	-	14.1
Overall Average (Minutes)	17.11	12.64	12.25	10.19	8.65	15.50	13.0	13.1
% No Shows (of total calls)	11.90%	7.81%	9.0%	13.0%	3.0%	14.7%	-	10.2%
% Refusals (of total calls)	7.14%	14.1%	6.0%	3.0%	-	10.3%	-	8.0%
Number of Calls	42	64	33	32	32	58	4	275

afternoon-evening time periods surveyed at all locations. Taxis tended to arrive at the stands well ahead of anticipated demand. Since many of the high-use stands were inter-city travel-related, demand peaks were related to carrier schedules and drivers evidently were familiar with these schedules.

Only 2 percent of all passengers observed at cab stands left by some other mode; most were picked up in a private auto. (A few were recorded by the surveyors as walking away from the stands who were likely only walking through the area). Average vehicle occupancy on departure was 1.6 passengers, while the ratio of available cabs to passengers averaged 0.85 and only dropped to 0.73 during peak hours of demand (that is, when further taxi supply was limited by stand capacity). There was almost always more than one vehicle already available at the stand for each passenger or group arrival.

4.4.5 Age of Taxi Vehicles

The age of taxi vehicles since open entry provides a proxy for estimating passenger comfort and safety. Information on taxi vehicles was collected in April of 1980 from taxi vehicle cards kept by the San Diego Police Department and in July of 1981 from certificates of insurance filed with the Paratransit Administration. No "before" data are available. Comparative information presented for the two years in Table 4-30 suggests that there may have been a deterioration in average vehicle condition with continuing new entry over these 15 months. The new owners tended to buy older used vehicles and most existing companies continued to operate with the same (aging) fleet.

There are some noteworthy differences between company size groups. Yellow Cab possesses a much greater proportion of late-model cars in its fleet than any of the other company types. Over half of the 1980 Yellow fleet were 1979 and 1980 models (55.7% overall, about evenly divided),

TABLE 4-30 CUMULATIVE DISTRIBUTION OF TAXI VEHICLE AGES OF
NEW AND VETERAN OWNERS: 1980 and 1981

Vehicle Year	APRIL 1980				JULY 1981			
	Veteran Owners (Excludes Yellow)		New Owners		Veteran Owner (Excludes Yellow)		New Owners	
	#	%	#	%	#	%	#	%
Pre-1972	71	40.6	18	21.4	43	40.9	52	28.4
1972	16	49.7	14	38.1	16	56.2	11	34.4
1973	17	59.4	11	51.2	11	66.7	31	51.4
1974	8	64.0	10	63.1	3	69.5	18	61.2
1975	20	75.4	5	69.0	2	71.4	9	66.1
1976	7	79.4	7	77.4	7	78.1	11	72.1
1977	23	92.6	8	86.9	15	92.4	18	82.0
1978	10	98.3	3	90.5	-	-	10	87.4
1979	3	100.0	7	98.8	3	95.2	18	97.3
1980	-	-	1	100.0	5	100.0	4	99.5
1981	-	-	-	-	-	-	1	100.0
	175		84		105		183	

while 81 percent were only three years old or newer. (There were no 1981 data for Yellow Cab vehicles.) In contrast, over half of the other company types' fleets were at least seven years old in 1980 and eight years old in 1981, while less than 5 percent (in 1980) and 13 percent (in 1981) were late model, one- and two-year old vehicles.

These findings are consistent with Yellow's prerogative (by virtue of its size) to purchase large lots of new replacement vehicles under special arrangements with the auto maker by which Yellow obtains the automobiles and maintenance service at low cost in exchange for road-testing them. The fleet-operator types generally reported they purchased 70's model used vehicles at GSA and other public auctions. Only one fleet reported buying a lot of 10 to 12 vehicles new and this was in 1977. While the smaller operators generally said they buy used cars from other operators, a few boasted brand-new luxury-type vehicles as the hallmark of their service. Thus the mini-fleet and one-cab firms had larger proportions of newer cars (in 1981) than the other fleets. New owners generally had newer vehicles than veterans by 1981.* (Table B-10 presents a cumulative distribution of taxi vehicle ages by company type for the two years.)

Station wagons are reportedly increasingly popular since they provide more luggage room and the potential to run double-loads to and from the airport. The 1981 information excluding Yellow Cab included 15.6 percent station wagons. Foreign cars, including Volvo, Datsun, Peugeot, Toyota, Honda, Renault, Mercedes, and Fiat, were also used but represented only a small minority (6%) of the total fleet.

Data released by the SDPD Paratransit Detail on the rate of failure of taxicab vehicle inspections over eight months in 1981 suggests an average failure rate of about one-third, with a high of 57 percent and a

*In personal interviews, several operators claimed to have obtained a taxi permit partly in order to "write-off" the purchase of a new car as a business expense.

low of about one-quarter. These inspections evidently include spot checks as well as new taxi vehicle certifications, and are generally inconclusive as to changes over time.

4.4.6 Level of Taxi Service Supply: The Traveller's Perspective

In summary, over the short-run and given that the primary growth sectors within the San Diego taxi industry were the smaller operation types, the chief increases in service supply were to the airport, downtown and hotel cabstands serving a travel-oriented, largely visitor ridership. Lack of price sensitivity among the ridership and the basically first-in first-out operation of the taxi queues helped to support higher than average rates, while sitting on stands helped operators to hold their mileage costs down. Part-time service directed toward large carrier and military schedules increased; there was likely little cruising outside of these target areas; response times deteriorated somewhat, especially to outlying districts.

As these locations became crowded with unengaged taxicabs, however, the larger firms evidently withdrew in order to develop their commercial contracts--to replace the lost stand-hail trips--and to re-emphasize the residentially-based telephone-request business. Expanding operations--such as the associations of owner-operators and larger fleets--gradually achieved sufficient size to imitate this strategy and were reportedly following suit as the evaluation came to a close in late 1981. Passenger-oriented service features such as name-recognition, low prices and prompt response were seen as keys to the success of this service model. From the San Diego resident's point of view, therefore, it was two or three years before open entry induced a perceptible improvement in the general availability of taxicabs, although passenger waits at busy cabstands were quickly reduced to seconds. But competition is taking place, with service specialization based upon the capabilities of different company types.

Taxi rates may have risen faster under open rate setting than they would have done under continued standardization, but the evidence also suggests that regulation was holding rates artificially low, as the industry contended. Moreover, the majority of all taxi vehicles continued to be offered at the lowest rates. Trip sheet and survey results presented in the next chapter suggest that few taxi passengers are being priced out of the market. Indeed, as the larger and lower-priced operations emphasize the residentially-based telephone request business, they are specifically targetting the most price-sensitive markets.

5. EFFECTS ON DEMAND

This section deals with changes in taxi travel demand since regulatory revision, including taxi user profiles and taxi travel behavior. The primary data sources for these impacts are the three rounds of on-board taxi passenger profile surveys (PPS) conducted in November 1978, 1979, and 1980, and the August 1979 and 1980 trip sheets. See Appendix A for the sampling designs and data adjustments employed. Estimates of aggregate levels of taxi trips are presented for 1977 and 1978 (prior to open entry) from the Annual Rate Review performed by the San Diego rate analyst on the basis of annual operating information submitted by the taxi companies.

Estimates of "jitney" ridership as of mid 1981 are derived by service type from one to two weeks' trip sheets requested from jitney service suppliers. No prior estimates of jitney trips are available.

5.1 ESTIMATES OF TAXI AND JITNEY RIDERSHIP AND CHANGES IN AGGREGATE TRIPS

5.1.1 Change in Total Taxi Trips

The trip sheet sample data compiled for August 1979 and 1980 suggest that total taxi trips declined slightly over the year. Estimated annual trips were 2,316,190 in 1979 and 2,233,280 for 1980, indicating a 4 percent decline. Annual taxi trips were reported at 2,437,162 for 1978 and 2,322,770 for 1977 by the city's rate analyst.

It should be noted that taxi drivers may not record all of the paid trips they actually book on a shift and that the rate of such omissions might increase with changes in industry structure. Lease drivers may not be required to record individual trips while independent owner-operators

may choose to record only minimal data. Thus the apparent decline in annual trips may not represent an actual drop in ridership.* In any event, the overall change is too small to suggest a substantial loss in ridership. On the other hand, the data indicate no increase in ridership with increases in the number of taxi service suppliers.

At 1.5 passengers per trip, estimated from the PPS, city taxis carried 3,474,290 passengers in 1979 and 3,349,920 riders in 1980. The latter figure amounts to as much as 12 percent of the 27,341,000 annual revenue passengers carried on San Diego Transit Corporation buses in FY80.**

5.1.2 Estimates of Jitney Ridership Levels

On the basis of trip sheets requested from jitney operations for one to two continuous weeks during mid-summer 1981, total weekly jitney trips were estimated at 11,290. If one-half of the border trips and one-third of the military trips are assumed (on the basis of operators' anecdotal reports) to be one-half of a round trip, then total weekly ridership on jitneys approximates 6,590 passengers. This figure amounts to as much as 8 percent of weekly San Diego Trolley ridership and 1 percent of weekly passengers carried on San Diego Transit buses.

The border routes accounted for half of all weekly jitney trips, while military routes attracted another 37 percent and airport-connected trips contributed the remaining 13 percent. Military travel was slightly lower on weekends than weekdays, with the other two service types making up the difference.

*Operating data supplied by the taxi companies for the two years indicated a total of 2,166,400 annual trips in 1979 and 1,992,000 in 1980 for an 8 percent decline over the year. Internal inconsistencies suggest that these data are highly unreliable, however.

**See section 2.3.5, Table 2-1. The total transit mode split (including taxis) in the region is less than 2 percent according to the SanDag 1978 Regional Transportation Planning Model.

Jitney operators contend that the San Diego Trolley is not hurting their operations but rather stimulating demand for additional services. Two additional border jitney routes, between the trolley terminus and Tijuana, and between downtown San Diego and the international border, have been developed since the trolley initiated service in late July 1981.

According to staff, the MTDB considers the border jitneys a definite plus as feeders to the trolley line. Jitney services catering to military passengers and paralleling the trolley line between the Pacific Fleet and 8th Street stations are reportedly luring passengers from the trolley, however. Both the city and SanDag have established groups of transit and jitney operators to study the issues of conflict between the two types of service. A policy statement by MTDB, to direct the future interface of transportation services, is also contemplated. The military and airport jitney routes appear to be affecting taxi ridership levels, moreover, as discussed in the following sections.

5.2 CHANGES IN TAXI USER PROFILES

The primary changes in taxi user profiles observed in the three years of Passenger Profile Surveys include a higher incidence of more affluent visitors and low frequency taxi trip-makers, a reduction in low-income and young riders and in military personnel. These results are discussed in detail in the following sections.

5.2.1 Changes in Taxi Travel Market: Proportions of San Diego Visitors, Military Personnel and Residents

5.2.1.1 Taxi Riders' Proportion of Visitors - There was a substantial shift between 1978 and 1980 toward greater proportionate use of taxis in San Diego by visitors. The overwhelming majority of those who increased their taxi use over the two-year period were visitors, while residents' taxi use remained constant or declined. As Table 5-1 shows, all company

size types increased their proportion of visitor trip-makers since 1978, from 34 percent to 47 percent among Yellow Cab riders, 27 percent to 50 percent for the other fleets and 33 percent to 48 percent of passengers of one-cab firms. (No mini-fleets participated in the survey prior to 1980.)

An increase in visitor taxi use is consistent with results of research conducted for the San Diego Convention and Visitors Bureau, indicating that the number of annual visitors increased 9 percent between 1978 and 1980, while 3 percent of 1979 and 1980 visitors were reported to use taxis as their primary mode of local transportation during their stay.* This change is also consistent with the supply-side results previously reported, of increases in weekend service at the expense of weekdays, and of greater emphasis with open entry upon the airport and other busy visitor-oriented taxi stands downtown, and near major hotels. The increase in visitor trips is primarily from street- and stand-hail business, which grew from 33 percent and 49 percent visitor, respectively, in 1978, to 59 percent and 65 percent visitor, respectively, in 1980. Intra-CBD and CBD-Other San Diego (non-airport) trips made by visitors accounted for one-quarter (25%) of all taxi trips in 1980, compared with a much smaller 13 percent share of the market in 1978 and 1979.

TABLE 5-1 CHANGES IN PROPORTION OF VISITORS AMONG ALL TAXI TRIP-MAKERS

a. <u>By Company Type:</u>			
	<u>Percent Visitor</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Yellow	34%	44%	47%
Other Fleets	27	51	50
2-3 Cab Firms	-	-	48
1 Cab Firm	33	33	48
b. <u>By Trip Initiation Type</u>			
Telephone Request	25%	37%	34%
Street-Hail	33	60	59
Taxi-Stand	49	52	65
Average	33%	45%	49%

*San Diego Convention and Visitors Bureau, "Visitor Profile: Annual 1979-1980," January 30, 1981.

During the eleven months following regulatory revision, airport-connected trips of visitors jumped from 13 percent (1978) to 19 percent (1979) of all taxi trips. But by the second year (1980), these were back to 13 percent, indicating a shift in service back to the downtown hotels and other taxi stands in the CBD. This is consistent with taxi operator reports of their shifting emphasis away from the airport. (Taxi trip sheet trip data also indicate a drop of the airport share of all trips from 25 percent in 1979 to 19 percent in 1980; see section 5.3.)

More than one-third (37%) of all taxicab user visitors were in San Diego for military reasons in 1980; this is significantly higher than in either 1978 (30%) or 1979 (24%). The proportion of conventioner-visitor taxi riders also rose steadily from 6 percent in 1978 to 12 percent in 1979 and 25 percent in 1980. Taxi use of visitors on other business and by vacationers declined somewhat. By 1980, in sum, 87 percent of visitor taxi users were not vacationing, but were in San Diego for business, convention or military reasons, compared with 69 percent in 1978.

In keeping with these other changes, visitor taxi users' household incomes also rose over the two-year period, as shown in Table 5.2. The proportion of visitor taxi users with household incomes less than \$10,000 dropped from 40 percent in 1978 to 29 percent in 1980. Conversely, the rate of those with household incomes over \$25,000 nearly doubled, increasing from 29 percent of visitor taxi users in 1978 to 51 percent in 1980. Consistently the large majority, the proportion of those visitors who could have rented a car during their stay in San Diego also grew, from 72 percent in 1978 to 75 percent in 1979 and 78 percent in 1980.

Slightly more of visitor than resident taxi users were males. The proportion of non-white visitor riders nearly doubled between 1979 and 1980, while that of blacks nearly tripled (from 6 percent to 17 percent of all visitor riders). See Table 5-3.

TABLE 5-2 HOUSEHOLD INCOME AND TRANSPORTATION DEPENDENCY CHARACTERISTICS OF VISITOR TAXI USERS

<u>Income Group</u>	<u>Visitors</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Less than \$10,000	40%	33%	29%
\$10 - 25,000	31	24	20
More than \$25,000	<u>29</u>	<u>42</u>	<u>51</u>
	100%	100%	100%
<u>Could Have Rented Car During Stay:</u>			
Yes	72%	75%	78%
No	<u>28</u>	<u>25</u>	<u>22</u>
	100%	100%	100%

5.2.1.2 Change in Ridership Proportion of Military Personnel - The overall proportion of taxi-using military personnel declined from 30 percent in 1978 to 20 percent in 1980. Visiting military increased, as reported above, while resident military declined. The proportion of resident military taxi users dropped sharply between 1979 and 1980, likely a function of the rapid proliferation at that time of fixed-route services designed to serve travel between the area's military installations and between the bases and other activity centers. While resident military constituted nearly one-third (31%) of all resident taxi users in 1978 and 30 percent in 1979, their share had dropped to only 16 percent in 1980. This decline in military taxi riders is associated with the small proportionate decrease in young adult taxi riders and the larger drop in low-income riders reported below.

TABLE 5-3 INDIVIDUAL CHARACTERISTICS OF VISITOR TAXI RIDERS

	Visitors		
	1978	1979	1980
<u>Sex</u>			
Male	67%	73%	64%
Female	33	27	36
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Ethnicity</u>			
White	83%	86%	74%
Black	6	6	17
Hispanic	4	3	5
Asian	3	4	1
American Indian	-	1	-
Other	4	-	3
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Age</u>			
Under 21	18%	13%	24%
21-30	29	33	27
31-40	20	23	23
41-50	18	14	14
51-60	10	11	6
61-70	4	5	5
Over 70	1	1	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Employment Status</u>			
Employed	62%	66%	64%
Military	29	24	23
Student	12	12	7
Homemaker	11	12	4
Retired	7	4	1
Unemployed	2	6	1
Other	-	-	-
	<u>123%*</u>	<u>124%*</u>	<u>100%</u>
*Multiple responses permitted in 1978 and 1979			

5.2.1.2 Change in Proportion of Resident Taxi Riders - Consonant with these changes in the proportions of visitor and military taxi riders, the overall proportion of non-military resident taxi users declined from 47 percent in 1978 to 39 percent in 1979 and 38 percent in 1980.

5.2.2 Socio-Economic Characteristics of Resident Taxi Users

Data on household income, vehicle ownership and other individual characteristics of resident taxi users collected in the three rounds of PPS also suggest a shift toward a more affluent, slightly less transportation-dependent ridership, as shown in Table 5-4. The proportion of those with household incomes less than \$10,000 declined from 73 percent of all resident riders in 1978 to 40 percent in 1980, while that of those with household incomes over \$25,000 increased from 7 percent to 34 percent. Those in households having no motor vehicles decreased from just over half (51%) of resident riders in 1978 to 42 percent of these riders in 1980.*

The proportion of residents observed by survey workers to be disabled (require assistance in making their taxi trip) remained at about 4 percent over the three years of survey. (A larger proportion than were observed to be disabled reported themselves as handicapped in 1978.)

The proportions of male and female resident taxi riders remained largely unchanged as well (about 40 percent female). As Table 5-5 shows, the percentage of non-white resident taxi users decreased from 22 percent in 1978 to 15 percent in 1979, but was up to 32 percent by 1980. The black proportion showed the greatest fluctuation, from 15 percent (1978) to 10 percent (1979) and 22 percent (1980). Young adults through 30 years of age decreased from just over half (54-55%) of all resident taxi riders in 1978 and 1979 to just under half (48%) in 1980.** The proportion of elderly cab users (over 70 years) remained more or less constant at about 10-11 percent.

*Consonant with these other changes, the proportion of all taxi riders having a driver's license also rose steadily over the three years of survey, from 69 percent in 1978 to 78 percent in 1979 and 86 percent in 1980.
**Persons under 14 years of age were not distributed a survey form.

TABLE 5-4 HOUSEHOLD INCOME AND TRANSPORTATION DEPENDENCY
CHARACTERISTICS OF RESIDENT TRIP-MAKERS

<u>Income Group</u>	<u>Residents</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Less than \$10,000	73%	63%	40%
\$10-\$25,000	20	24	26
More than \$25,000	<u>7</u>	<u>13</u>	<u>34</u>
	100%	100%	100%
<u>Vehicles in Household</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
None	51%	45%	42%
1	29	30	29
2	13	17	12
3 or more	<u>6</u>	<u>8</u>	<u>7</u>
	100%	100%	100%
<u>Disability</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Need assistance (observed)	4.1%	4.3%	3.7%
Handicapped (self-reported)	6.6%	3.8%	N/A

TABLE 5-5 INDIVIDUAL CHARACTERISTICS OF RESIDENT TAXI RIDERS

	<u>Residents</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
<u>Sex</u>			
Male	61%	61%	58%
Female	39	39	42
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Ethnicity</u>			
White	78%	85%	68%
Black	15	10	22
Hispanic	5	4	8
Asian	2	1	2
American Indian	-	-	-
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Age</u>			
Under 21	23%	23%	21%
21-30	31	32	27
31-40	12	15	15
41-50	8	7	11
51-60	9	9	7
61-70	6	4	8
Over 70	11	10	11
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Employment Status</u>			
Employed	44%	43%	52%
Military	31	30	16
Student	14	17	3
Homemaker	13	12	4
Retired	20	17	21
Unemployed	10	10	2
Other	-	-	2
	<u>130%*</u>	<u>129%*</u>	<u>100%</u>
*Multiple responses allowed			

The proportion of employed resident taxi trip makers increased from 43-44 percent in 1978-79 to 52 percent in 1980, which is in keeping with the observed rise in household income. The proportion of unemployed riders dropped from 10 percent to 2 percent. The apparent changes in students and homemakers may result from differences in the respondent questionnaire among the three waves of survey. Multiple responses were permitted to this question in 1978 and 1979 but not in 1980. That is, persons who were both employed and students or homemakers could check both responses in 1978 and 1979 but only one category in 1980.

5.2.3 Changes in Residents' Frequency of Taxi and Bus Use

Among San Diego resident taxicab riders, there appears to be somewhat of a shift from regular taxicab users toward those who make taxi trips relatively infrequently. In 1978, as shown in Table 5-6, about half (48%) of all resident taxi riders made more than six taxi trips per month. By 1980, only 29 percent did so. Conversely, in 1978 only 21 percent said they made one or fewer taxi trips per month compared to 40 percent of all resident taxicab riders in 1980.

The proportion of all resident taxi riders who used the bus relatively infrequently also rose over the two-year period, from 41 percent in 1978 to 51 percent in 1980. The proportion of taxi users who are regular bus riders (making more than 10 bus trips per month) remained about the same, however.*

*Unadjusted for reported taxi trip frequency on the day of survey. Since more frequent taxi riders had a higher probability of inclusion in the PPS sample, adjustments were made to the data to account for the increased probability of selection of more frequent trip-makers. The results must be interpreted carefully, however, in order to distinguish clearly which population is being described in a given analysis application. Comparative analysis of household and individual characteristics among the resultant ridership groups revealed that this weighting reduces the apparent level of transportation dependency since the more affluent use taxicabs less often than poorer riders as a group. See Appendix A for further details.

TABLE 5-6 CHANGES IN RESIDENT TAXI RIDERS' TAXI AND BUS TRIPMAKING FREQUENCY*

Taxi Trips per Month	Residents		
	1978	1979	1980
1 or less	21%	29%	41%
2-5	31	31	31
6-10	22	17	12
More than 10	26	24	17
	100%	100%	100%
Bus Trips per Month	Residents		
	1978	1979	1980
1 or less	41%	43%	51%
2-5	20	17	19
6-10	11	10	7
More than 10	28	31	24
	100%	100%	100%

*Unadjusted for taxi trip frequency on the day of survey; see previous note.

TABLE 5-7 CHANGES IN TAXI VEHICLE OCCUPANCY PER TRIP

a. VEHICLE OCCUPANCY-DISTRIBUTION OF RIDER GROUP SIZE:

Number of Riders per Trip	Percent of Total Vehicle Trips		
	1978	1979	1980
1	67%	65%	65%
2	24	22	23
3	6	9	7
4 or more	3	4	5
Total	100%	100%	100%

b. VEHICLE OCCUPANCY - AVERAGE OCCUPANCY PER TRIP BY COMPANY GROUP:

Cab Company Category	Mean Riders per Vehicle Trip		
	1978	1979	1980
Yellow	1.43	1.59	1.48
Fleet	1.46	1.47	1.64
2-3	-	-	1.81
1	1.03	1.35	1.49
Industry Average	1.43	1.53	1.54

5.2.4 Taxi Rider Group Size

The proportions of taxi rider groups (passengers travelling together) of different sizes did not change significantly over the three years of survey. As shown in Table 5-7, 91 percent of all trips were made by groups of one or two passengers in 1978 compared with 88 percent in 1980. The PPS data indicate a very slight but significant increase in large groups (of 4 or more). A breakdown of trip travel times by trip occupancy indicates that taxicabs ran 66 percent of their engaged time with one passenger and another 21 percent with two passengers in 1979 and 70 percent and 20 percent with one and two passengers, respectively, in 1980. Taxis carried four or more passengers only 2 percent of the time in either year.

It should be noted that the average occupancies reported from the PPS are generally higher than those produced by the trip sheet data. Since passenger occupancies in the PPS were recorded by the surveyors while passenger data is frequently omitted from the trip sheets, the former source is the most reliable*

5.3 CHANGES IN TAXI TRIP CHARACTERISTICS

5.3.1 Changes in Trip Purposes

Taxi trip purposes, not surprisingly, vary considerably between residents and visitors. Home-based trips (all trips either to or from home) remained stable at nearly three-quarters of all resident taxi trips: 72 percent, 73 percent, and 70 percent, respectively, for the three survey years. Visitor accommodation-based trips (hotel or home of host) varied from 42 percent to 38 percent, to 49 percent. Table 5-8

*As previously noted, trip sheet coders reportedly confused some package trips with passenger trips; passenger trips showing no passenger count were coded as carrying one passenger.

summarizes changes in resident and visitor taxi trip purposes from year to year. For residents, there was a decline in work trips and a small increase in social-recreational uses. Visitors' trip purposes show a decline in work-related travel, and a substantial drop in the proportion of travel-connected trips.

TABLE 5-8 COMPARATIVE TAXI TRIP PURPOSES OF RESIDENTS AND VISITORS (AS PERCENT OF ALL TRIP ENDS)*

Purposes	Residents			Visitors		
	1978	1979	1980	1978	1979	1980
Home/Accommodations	36%	38%	36%	22%	21%	25%
Military Base	-	-	8	-	-	14
Work	21	16	10	17	14	-
Work-related	-	-	3	-	-	10
School	1	2	1	4	2	-
Shopping	6	7	5	2	2	1
Medical	6	6	5	2	2	4
Personal Business	8	6	6	7	3	3
Social-Recreational	14	10	16	16	15	17
Travel Connection	6	6	7	28	25	14
Other	3	10	4	2	16	11
Total	100%	100%	100%	100%	100%	100%
	(798)	(816)	(1660) weighted	(392)	(662)	(798) weighted

*Combined origins and destinations: 1978, 1979, and 1980.

5.3.2 Changes in Time of Day of Taxi Trips

The PPS data indicate an increase in the proportion of taxi trips made during evening and nighttime hours (after 4 PM) over the three years, from 41 percent in 1978 and 1979 to 52 percent in 1980. (This change is reflected by a change in the overall proportion of nighttime shifts.) The growth in evening and nighttime trip-making appears to come primarily from the increased visitor proportion of total evening and nighttime taxi usage, from 29 percent to 44 percent to 52 percent, respectively, over the three years.

The shift toward evening and nighttime travel is corroborated in the trip data from taxi operator trip sheets. Table 5-9 displays the proportion of weekday, Friday, weekend, and total trips beginning within selected time periods for 1979 and 1980. Note that where 30 percent of all taxi trips began between 6 PM and 3 AM in 1979, this time period encloses 42 percent of all trips in 1980. Similarly, 41 percent of trips began between 3 AM and 1 PM in 1979, compared with 28 percent in 1980. The proportions of taxi trips beginning between 1 PM and 6 PM remain unchanged over the year. There is no significant variation from this basic pattern by day of week.

TABLE 5-9 TAXI TRIPS BY TIME OF DAY AND DAY OF WEEK:
1979 and 1980

Time Period	As % of All Trips By Day of Week							
	Weekday		Friday		Weekend		Total	
	79	80	79	80	79	80	79	80
3AM-8AM	12.1%	5.5%	9.0%	3.9%	8.7%	11.0%	10.7%	6.8%
8AM-1PM	28.7	20.1	27.3	20.8	34.3	25.3	30.0	21.8
1PM-6PM	27.9	30.4	31.8	34.5	29.9	27.8	29.0	30.3
6PM-11PM	20.9	29.3	23.4	28.6	19.8	22.5	21.1	27.3
11PM-3AM	10.4	14.7	8.5	12.3	7.2	13.5	9.2	14.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Figures 5-1 and 5-2 display the time distribution of weekday taxi trips served by the different company groups for 1979 and 1980. The figures emphasize some basic differences in service orientation to demand among the different company groups. First, the larger, lease-oriented companies obtain trips throughout the day within a generally smooth curve or "service envelope" with lowest demand between 3 AM and 6 AM. The envelope widens to capture travel later in the day in 1980. In

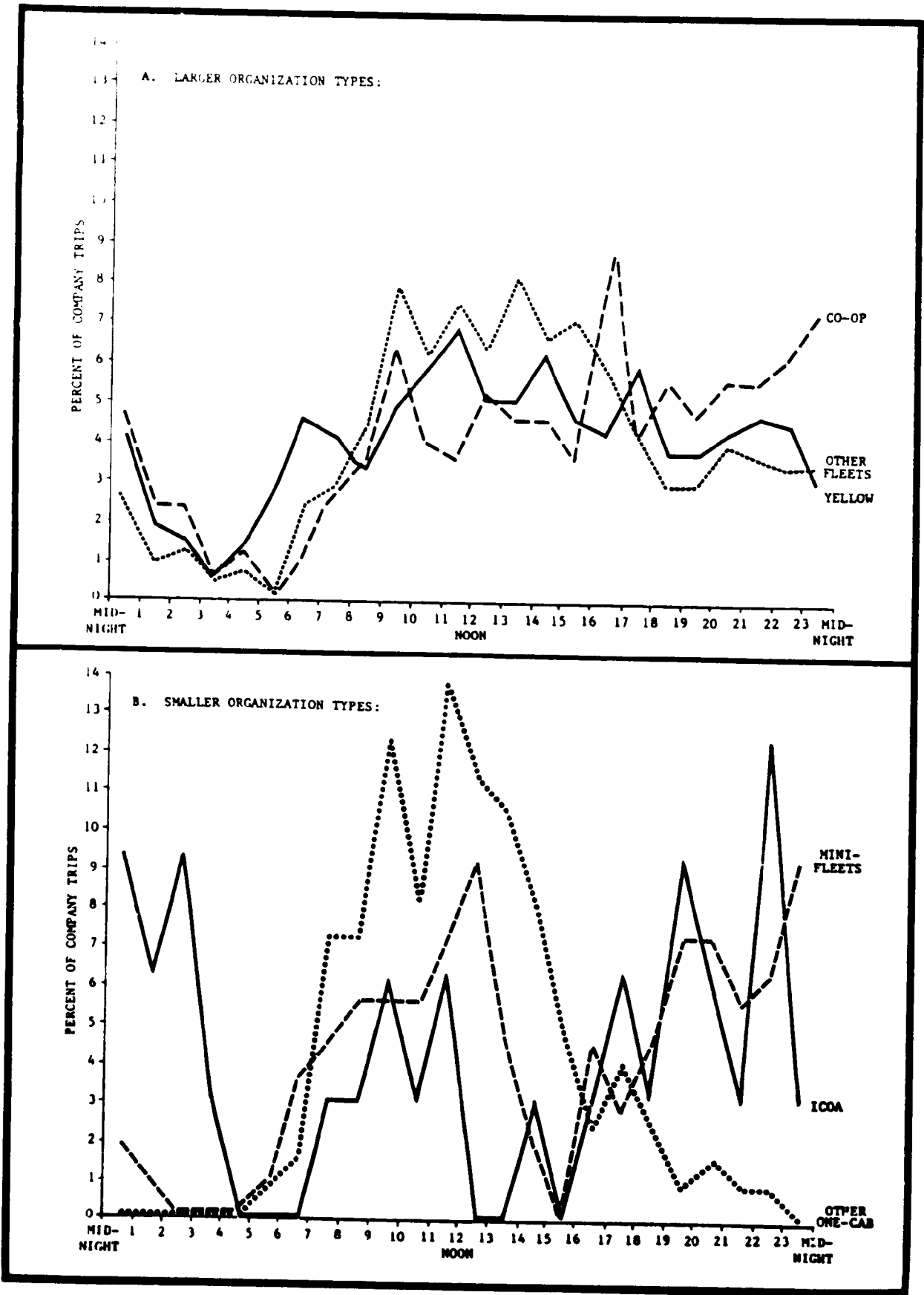


FIGURE 5-1 TAXI TRIPS (AS PERCENTAGE OF ALL TRIPS WITHIN COMPANY GROUP) BY TRIP START TIME AND COMPANY GROUP: WEEKDAYS 1979

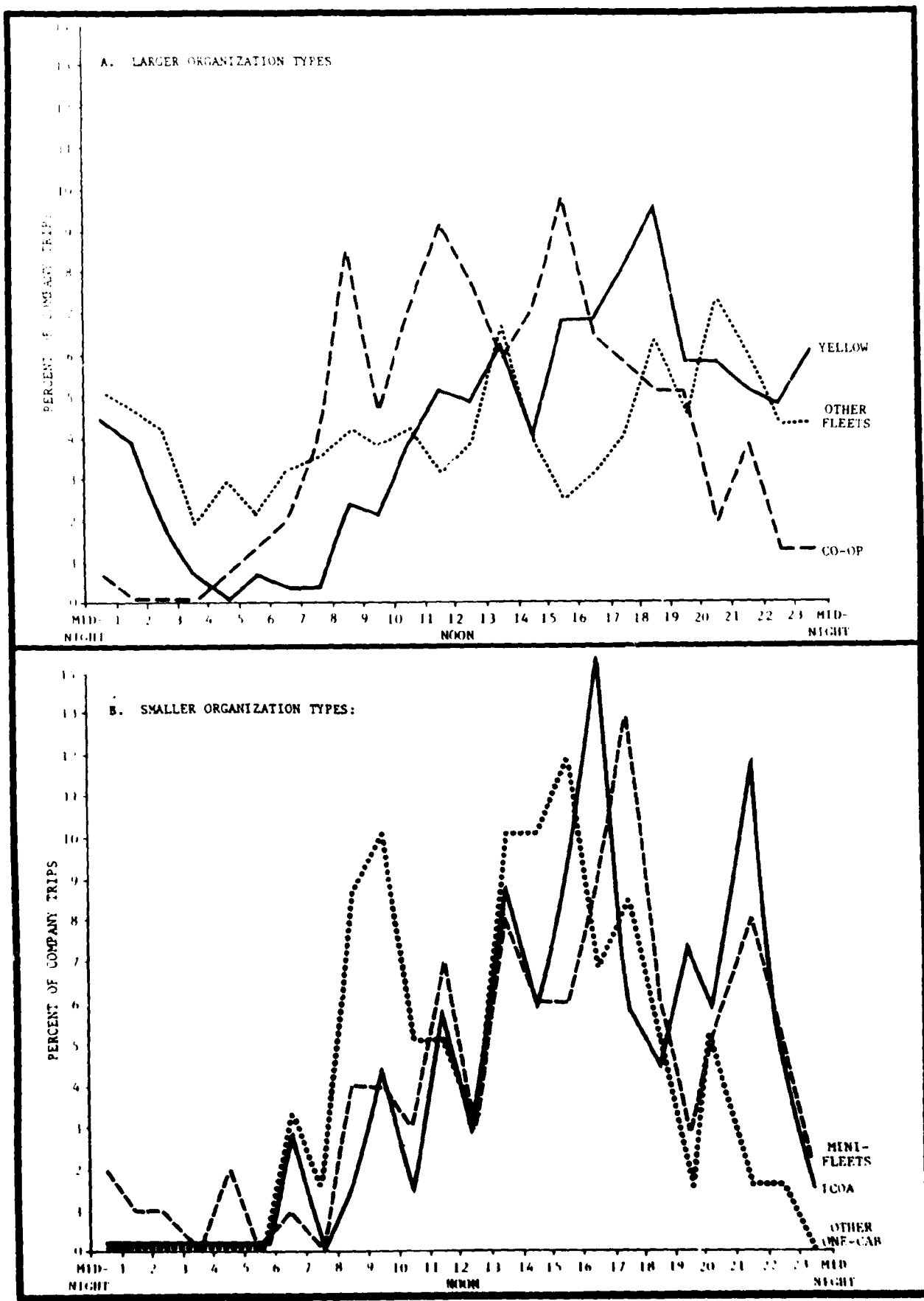


FIGURE 5-2 TAXI TRIPS (AS PERCENTAGE OF ALL TRIPS WITHIN COMPANY GROUP) BY TRIP START TIME AND COMPANY GROUP: WEEKDAYS 1980

contrast, the smaller organization types show irregular curves with high peaks and low valleys throughout the day as they apparently follow peaks in demand--the airport, Greyhound station and other scheduled-type trip sources as well as downtown cab stands--with non-productive periods in-between. ICOA-member trip distributions reflect the method of operation reported by these operators: periods of active service interspersed with non-activity as drivers attend to personal business or wait in the airport queue.

The one-cab firms show little nighttime activity in 1979. This is even more pronounced and more typical of all of the smaller firm types in 1980, likely because most nighttime trips are initiated by telephone. It is notable that, contrary to the organization's reported emphasis on the bell business, CO-OP's trips become more concentrated in the daytime hours in 1980. Perhaps taxi users are calling the association's competitors at night, or the trip sheet data collected precede CO-OP's shifts in service.

5.3.3 Changes in Origins and Destinations Served

Both the PPS and trip sheets data address changes in taxi trip origins and destinations; these are displayed in Table 5-10. The PPS is the primary source of pre-revisions (1978) trip patterns. From 1978 to 1979, the PPS samples indicate a shift in taxi trips served from about 18 percent to about 24 percent airport-connected. Other CBD connector trips and those made solely within the downtown (intra-CBD) declined proportionately from 51 percent to 43 percent. By fall 1979, there had occurred a significant increase in taxi trips serving non-CBD city-to-city locations (15% to 21%) while non-CBD city-to-county trips decreased accordingly (11% to 7%).

TABLE 5-10 CHANGES IN TRIP PROPORTIONS OF MAJOR ORIGIN-DESTINATION PAIRS

O/D Pair	PPS			Trip Sheets-Trips	
	1978	1979	1980	1979	1980
Airport-CBD	8.1%	10.5%	8.9%	9.1%	7.7%
Airport-Other	10.2	13.7	11.7	15.0	10.5
Intra-CBD	28.8	24.6	27.0	27.4	28.8
CBD-Other S.D. (non-airport)	21.9	18.6	24.4	19.6	24.0
Intra-Beach	N/A	N/A	N/A	12.8	14.5
Beach-Other S.D. (non-CBD, non-airport)	N/A	N/A	N/A	4.0	2.6
Intra-Other S.D.	14.7	21.2	13.2	8.1	4.1
Other S.D.-County	11.4	6.6	10.9	N/A	N/A
Intra-County	1.6	2.0	2.3	2.2	6.0
County-Other S.D. (non-CBD, non-airport non-beach)	3.3	2.7	1.7	1.8	1.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%

By fall 1980, the general geographic distribution of taxi trips made was more like the pre-revision service (1978) than the first year observations (1979), a finding which is consistent with operators' reports of changes in their service orientation. Airport trips remained a slightly higher proportion (21%) than in 1978 (18%), but lower than in 1979 (24%). The share of downtown-oriented trips returned to 1978 levels (51%).

These results are generally corroborated in the trip sheet trip data for 1979 and 1980. The proportion of airport-connected trips dropped from 24 percent to 18 percent while CBD-connected trips increased proportionately, from 47 percent to 53 percent. Trips between other in-city points declined from 8 percent to 4 percent, while there was an apparent rise in intra-county trips, chiefly among Yellow and the other fleets, operation types which held county as well as city permits. The proportion of beach area trips remained the same in both years.

All company groups but ICOA members and the unaffiliated one-cab firms showed significant decreases in their proportions of airport-originating trips, as previously reported. Operators in the latter firms reported a re-orientation of their service away from the airport (toward other high-demand pick-up locations) since mid-1980.

The trip sheet data suggest that the absolute number of airport-connected trips served by taxicabs actually declined between 1979 and 1980. There were about 12,300 airport-connected trips per week (28% of total weekly trips) in 1979 compared with 7,300 (17% of weekly trips) in 1980. This result is likely associated with the July 1980 change in airport permit rules and fees, as well as with the proliferation of airport-oriented fixed-route services.* The slightly (but significantly) higher proportion of airport-connected trips (21%) reported from the November 1980 PPS--after operators had had more time to accommodate to the new rules--suggests a re-stabilization of the airport taxi market at a higher level.

5.3.3.1 Variation Among O/D Pairs by Time of Day - The trip sheet data reveal surprisingly little variation in the proportions of different O/D pairs by time of day. CBD-connector trips represented nearly half of all trips for all time periods in both years, but constituted the clear majority of trips between 6 PM and 3 AM, when airport demand reached its lowest ebb. Intra-CBD and CBD-other San Diego (but non-airport) trips

*Airport "jitneys" supplied about 1,500 weekly trips in 1981; section 3.3.1 reports airport taxi regulatory changes.

represented 55 percent (in 1979) and 56 percent (in 1980) of trips between 6 PM and 11 PM, and 58 percent and 59 percent, respectively, of trips between 11 PM and 3 AM. Trips between other city-to-city points were also at their highest proportion (14%) between 11 PM and 3 AM in 1979, while they represented 12 percent of all early-morning travel. The beach and inland trip sector was more or less stable across all time periods.

5.3.3.2 Changes in O/D Pairs by Time of Day Between Years - There is an increase from 43 percent in 1979 to 62 percent in 1980 of CBD-connector trips made during the early morning hours (3 AM to 8 AM). Other city-to-city trips dropped from 12 percent to less than 1 percent of all trips in this time period, and airport-connector trips dropped from 23 percent to 13 percent. These changes are likely associated with the changes in operator service concentrations previously reported, of operators seeking high-demand alternatives to the airport. Intra-city (non-CBD) travel also declined during the mid-morning and late night hours in 1980, however, which may relate to the proliferation of military-oriented fixed-route services.

5.3.4 Taxi Trip Origins by Initiation Mode

Table 5-12 provides a cross-tabulation of geographic trip origins by telephone-request, stand-hail, and other trip initiation modes. Negligible proportions of telephone request trips originated at the airport in either 1979 or 1980. Telephone requests included a growing proportion (from 38 to 47%) of CBD-originating trips, chiefly at the expense of trips from other (non-beach) city areas.* Rather surprisingly, county sector trips increased from 11 percent to 16 percent of all telephone requests between 1979 and 1980.

*Cf discussion of varying response time to outlying city areas, section 4.3

TABLE 5-12 GEOGRAPHIC TRIP ORIGINS BY TRIP INITIATION MODE:
1979 and 1980

District of Origin	Percentage of All Trips in Each Mode							
	Telephone Request		Taxistand		Other		Total	
	79	80	79	80	79	80	79	80
Airport	0.1	1.2	40.5	25.5	-	-	17.1	12.0
S.D. CBD	37.7	47.0	34.9	45.5	100.0	67.4	41.3	46.7
Beach + Contig. Inland	22.3	21.1	16.1	20.9	-	13.3	22.8	23.9
Other S.D.	28.8	15.0	7.5	2.7	-	17.3	14.3	7.9
County	11.1	15.8	1.0	5.3	-	-	4.4	9.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% of All Trips	36.0	34.6	65	65	0.2	0.4	100.0	100.0

Taxi stand-originating trips included sizable proportions of trips beginning at the airport, in the CBD and in the beach and contiguous inland areas. The airport sector dropped from 41 percent in 1979 to 26 percent in 1980, consistent with the larger operators' de-emphasis of these trips, while the CBD sector increased from 35 percent to 46 percent. As in the case of telephone requests, the proportion of stand-hail trips from other (non-CBD, non-airport, non-beach) city areas decreased from 8 percent to 3 percent while that of county-originating trips increased from 1 percent to 5 percent. Possibly, this is the result of fewer service refusals for county-destined trips combined with more aggressive attempts to avoid dead-heading back, as a result of increased competition under open entry.

5.3.5 Changes in Taxi Trip Lengths and Travel Times

The PPS results indicate a 34 percent increase in average taxi trip length (from 4.1 miles to 5.5 miles) between 1978 and 1980, but no apparent increase in travel times. This finding reflects the proportionate rise in longer distance but faster, freeway-oriented taxi trips such as airport and other travel-connected trips previously documented. Although the PPS results likely incorporate a bias against shorter trips, especially in 1980, the trip sheets data also suggest a slight (4%) increase in average taxi trip length, from 4.58 miles in 1979 to 4.76 in 1980.*

Taxi travel times observed and recorded by the PPS workers averaged 13.1 minutes in 1978 and 12.6 minutes in 1979 and 1980. Trip travel times estimated from the trip sheets averaged 13.3 minutes in 1979 and 12.2 minutes in 1980.** These travel times reflect average speeds of 18.8 miles per hour in 1978, 20.7 to 27.6 mph in 1979 and 23.4 to 26.2 mph in 1980.

5.3.6 Changes in Taxi Fare and Fare per Mile

The average taxicab trip fare recorded during the three rounds of PPS increased from \$3.91 in 1978 to \$6.57 in 1980, a 67 percent rise. Average fare per mile rose from \$1.07 to \$1.45, a 36 percent increase. This change is consonant with the 50 percent rise in the taxi rate, from \$1.10 drop and \$0.70 per mile (standard) in November 1978 to \$1.19 drop and \$1.05 per mile (weighted average) in November 1980. As previously reported, the unaffiliated single-cab and mini-fleet operators booked the higher fares in 1979 and 1980, owing to their higher rates and higher proportions of long-haul trips.

*Seasonal variation may also be a factor in the difference between the two sources; the trip sheets data, collected in August, likely include a larger share of tourist-oriented short trips.

**In case of missing data, trip sheet coders used available data to estimate trip start and/or end times.

The trip sheet data indicated a 29 percent increase in average trip fare, from \$4.39 in 1979 to \$5.68 in 1980. Average fare per mile was \$0.96 in 1979 and \$1.19 in 1980. These lower estimates are due to two primary factors: first is the three-month time difference between the two data points during which local taxi operators continually filed rate increases; second is the PPS' likely bias toward longer trips.

5.4 TAXI TRAVELLER ATTITUDES AND AWARENESS OF TAXI SERVICE

The three waves of PPS differed in their focus upon taxi traveller attitudes toward taxi services. Questions on travellers' taxi mode and taxi company choice decisions and overall valuation of local taxi service were included in all three years. The 1980 form included additional questions aimed to assess residents' perception of changes in local taxi service attributes, awareness of variable pricing and extent of comparison shopping among different firms.

5.4.1 Change in Opinion of Overall Quality of Taxi Service

The vast majority of both residents and visitors evaluated taxicab service in San Diego positively during each of the three years. An improvement in service is indicated by a shift in residents' ratings from 75 percent "good" or "excellent" in 1978 to 82 percent in 1980, see Table 5-13. A similar increase is indicated among visitors--who perceived service even more favorably than residents--from 86 percent "good" or "excellent" in 1978 to 92 percent in 1980.

TABLE 5-13 TAXI TRAVELLERS' OPINIONS OF SAN DIEGO TAXI SERVICE

Opinion of Service	Residents			Visitors		
	1978	1979	1980	1978	1979	1980
Excellent	30	32	37	43	41	53
Good	45	47	45	43	48	39
Average	21	17	17	13	10	8
Poor	3	4	1	1	1	-
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

5.4.1.1 Variation in Quality Ratings by Traveller Characteristics

a. Frequency of Taxi Use - For resident riders in 1980, favorable opinion was highest (90 percent positive) among the 50 percent who indicated that their taxi use was about the same as before. With 8.9 taxi trips per month, this group appears to be the most regular taxicab users. The 22 percent of 1980 resident riders who had increased their taxi use (and who averaged 7.2 taxi trips per month) were somewhat less positive, with 79 percent rating taxi service as good or excellent. The 8 percent who reduced their taxicab travel (and who now averaged 4.9 taxi trips per month) were less positive yet, but 71 percent still found taxicab service in San Diego "good" or "excellent."

b. Traveller Awareness of Variable Pricing - It is interesting to note that awareness of varying fare structures in 1980 was lowest among those who gave San Diego taxi service "excellent" ratings (37%), and increased among those with progressively less positive evaluations. That is, 43 percent of those rating cab service as "good" were aware of variable pricing, as were 61 percent of those rating service as "average" and 66 percent of those rating service as "poor."

c. Age - Taxi riders over 60 years of age showed the greatest increase of any age group in their favorable opinion of taxi cab services. In fact, none of the elderly in the 1980 sample rated service "average" or "poor."

5.4.1.2 Traveller Perception of Changes in Taxi Service Characteristics

About 22 percent of resident respondents in the 1980 PPS survey reported they thought service was "better" than in the previous year; 47 percent thought it was the "same," 29 percent were unaware of a change, and only about 3 percent thought service had worsened, see Table 5-14. In terms of specific attributes of taxicab service, the one most believed to have improved was promptness of service.* Driver courtesy was also seen to have improved considerably more than other aspects of cab service.

*This perception is corroborated in other PPS results; see section 4.4.4.

TABLE 5-14 PERCEIVED CHANGES IN TAXI SERVICE ATTRIBUTES

<u>Service Attribute</u>	<u>Residents - 1980</u>				<u>Total</u>
	<u>Better</u>	<u>Worse</u>	<u>Same</u>	<u>Don't Know</u>	
Promptness	34	2	40	24	100%
Driver Courtesy	31	4	39	26	100%
Vehicle Condition	21	3	48	29	100%
Availability-Day	22	2	44	33	100%
Availability-Night	17	6	40	38	100%

An alternate question posed in 1978 and 1979 asked passengers to identify service areas warranting improvements (see Table 5-15). Response time attracted a high level of concern in 1978 which had lessened by 1979, despite an actual deterioration in response times. In addition, nearly two-thirds (64%) of residents in 1978 thought fares were too high, compared with only 57 percent in 1979, despite higher actual 1979 fares. The apparent contradiction between perception and reality suggests that these responses reflect passengers' valuations of these service attributes rather than their ratings of them.

TABLE 5-15 SERVICE ATTRIBUTES PERCEIVED AS NEEDING IMPROVEMENT

Attribute Needing	Residents	
	1978	1979
Response times	31%	18%
Reduced fares	64	57
Quality of service	6	6
Equipment	24	15
Other	5	17

5.4.2 Changes in Taxicab Mode Choice and Company Selection

Table 5-16 shows the survey options the riders checked to explain why they chose a taxicab for their trip. With considerably fewer response options provided in 1978 and 1979, the general category of factors labeled "convenience" ranked by far the highest, being checked by nearly two-thirds of all riders in these years. A much smaller, but important one-quarter of residents and a lower proportion of visitors indicated they had no alternative to taxi service in 1978 and 1979, while about 40 percent of all passengers indicated they had no alternative to taxi service in 1980. The apparent contradiction with the changes in taxi ridership toward a less transportation-dependent population suggests that this result warrants close interpretation. Perhaps riders meant that other travel options failed to meet their needs as well as a taxi. This interpretation is supported by the 38 percent who marked "convenience," and the 37 percent who checked "save time" (a factor not explicitly provided in the earlier surveys) in 1980. Large majorities of both residents and visitors (65% and 72%, respectively) also checked "convenience" as the chief factor in their choice of a taxicab in 1978 and 1979.

In 1980, only about 15 percent of resident riders said they would not have made the trip if it were not by cab, 37 percent said they would have taken the bus, and 14 percent said they would have walked. The remaining 29 percent of residents would have driven or ridden in a car, of which only 2 percent would have been rental or courtesy cars. Visitors' primary alternatives were bus (44%) and rental car (21%).

TABLE 5-16 FACTORS IN TAXICAB MODE CHOICE

Reason Chose Cab for Trip	Resident			Visitor		
	1978	1979	1980	1978	1979	1980
No Alternative	24%	27%	39%	18%	15%	42%
Unfamiliar with Area	5	5	6	23	20	23
Packages/Luggage	N/A	N/A	6	N/A	N/A	9
Not Feeling Well	N/A	N/A	1	N/A	N/A	4
Convenience	65	65	35	72	72	38
Save Time	N/A	N/A	20	N/A	N/A	37
Save Money	N/A	N/A	5	N/A	N/A	7
Safety	11	11	4	4	4	5
Trip Paid for by Others	N/A	N/A	4	N/A	N/A	5
Cleanliness	6	5	N/A	4	4	N/A
Efficiency of Service	20	16	N/A	13	16	N/A
Familiar with Service	11	14	N/A	6	5	N/A
Other Reasons	3	8	14	1	5	5
Don't Know	<u>N/A</u>	<u>N/A</u>	<u>2</u>	<u>N/A</u>	<u>N/A</u>	<u>1</u>
Total (Multiple Responses)	145%	151%	136%	141%	141%	141%

N/A = Response option not available in that year.

Nearly two-thirds of 1980 resident riders stated they typically use one cab company more than others and about 80 percent of these said it is Yellow. To explain why they used their preferred company, 30 percent of 1980 resident riders stated they were "most familiar" with it, 17 percent asserted it was the "cleanest-best maintained," and 14 percent said, because it "serves my area." One-quarter could not say why they chose one company over others; only 3 percent cited low fares as a factor in their company selection.

5.4.3 Response to Variable Pricing

About half (51%) of San Diego resident riders and one-third (35%) of visitors were aware by Fall 1980 that fares varied among taxi firms. Those who were aware of variable pricing used cabs twice as frequently as those who were not: 6.5 versus 3.9 trips per month. Considerably less, but still a relatively substantial number (13 percent of residents and 10 percent of visitors) stated that they tried to "comparison shop" for taxicab service.

Among those residents who believed taxicab service had improved somewhat, more than half (57%) were aware of different fare structures. Nearly all (95%) of the comparatively few (6%) who believed it had worsened were aware that fares vary. Those aware of variable pricing were more likely to have increased their taxi use over the previous year (24% versus 21%), although those who said they comparison-shopped were not distinguished in this regard from those who did not (47% compared with 50% whose use of taxicabs was "about the same" as last year). Exterior rate posting (on taxicar doors) and word-of-mouth were the primary means by which passengers learned of variable pricing: 51 percent and 37 percent, respectively.

Armed forces members and others with lower incomes appeared to be the most aware of variable pricing. Similarly, these groups were more

likely than others to shop around for lower fares (20 percent of military riders and 12 percent of those with under \$10,000 per year income). Those in the mid-range income groups--\$10,000 to \$25,000--while somewhat less aware of fare variations, were the most likely to comparison shop; i.e., 14 percent of that ridership group. Comparison shoppers averaged 6.7 taxi trips per month compared to 4.8 for non-shoppers. Reading the posted rate on the taxi door (53%) and asking the driver to bargain (29%) were the primary methods of comparison shopping employed. Of those who said they did not comparison shop, about one-quarter explained they used cabs so infrequently that the cost did not amount to much.

6. EFFECTS ON TAXI OPERATOR REVENUES AND PRODUCTIVITY

This chapter reports changes between 1979 and 1980 in taxi operator productivity measures such as number of trips, paid miles, and fare revenue collected per shift and per hour and the ratio of paid to total miles per shift, based upon sample data from operator trip sheets. Reliable financial and operating data were not available for the evaluation to estimate operating cost and cost-effectiveness measures. It should be emphasized that the findings reported are for the very near term, eight to 20 months following the regulatory code revisions. Longer-run impacts may differ as the continued interaction of taxi operator supply changes and traveller demand responses produces a changing level of supply and demand reflected in new revenue and productivity statistics.

6.1 CHANGES IN INDUSTRY AVERAGE SHIFT PRODUCTIVITIES

A variety of taxi shift productivity measures declined industrywide between 1979 and 1980. The average number of trips booked per shift dropped from 12.6 to 11.1, while the mean number of paid miles driven per shift decreased 10 percent, from 58 to 52. The industry average ratio of paid to total vehicle miles driven held more or less constant--0.46 in 1979 and 0.43 in 1980--however, as drivers also limited their cruising between trips. Total vehicle miles driven per shift declined 3 percent, from 126 to 122. Thus San Diego taxi drivers drove 2.2 miles for every paid mile in 1979 and 2.4 miles for every paid mile in 1980.

Despite the average decline in number of trips booked, industry average fare revenue per shift increased about 13 percent between 1979 and 1980, chiefly as a result of the 19 percent to 37 percent increases in taxicab rates under variable pricing (see section 4.2). Industry

average fare revenue per shift rose from \$56.00 to \$63.00. but some company types did substantially better than others, evidently by focussing on the longer trip types.

Industry average paid trips per hour dropped from 1.3 to 1.1, while paid miles per hour dropped from 6.0 in 1979 to 5.1 in 1980. At 20 miles per hour average speed, including boarding and unloading, fare collection, and so on, engaged time per hour would have amounted to about 18 minutes out of the hour in 1979 and 15 minutes in 1980. Allowing as much as ten minutes for passenger pick-up, taxi vehicles were likely unengaged over half of every hour in both years.

Mostly nighttime shifts were one and a half (1979) to one and three-quarters of an hour (1980) longer than mostly daytime shifts. As such, they were more productive than day shifts by about 1 trip per shift in each year. Mostly nighttime shifts also produced more fare revenue than day shifts in 1979 (\$59.64 compared with \$59.44), but not in 1980.

There is no directly comparable source of information on industry productivity prior to open entry which is as reliable as the trip sheet data from 1979 and 1980. In order to provide for some assessment of productivity levels prior to open entry, however, recourse was made to annual operating data supplied by the industry for the city's 1978 rate review. Direct comparisons between these earlier data and results from the trip sheets should be made with caution owing to internal inconsistencies and varying completeness of information from different company types.

Table 6-1 presents the key productivity measures estimated for 1978, 1979, and 1980. The data from 1978 suggest continuing decline in a number of productivity indicators documented in the trip sheet results, despite increases in service levels with open entry.

TABLE 6-1 CHANGES IN INDUSTRY PRODUCTIVITY MEASURES SINCE OPEN ENTRY
 COMPARED WITH ESTIMATES FROM BEFORE

	1978*	1979**	1980**
Industry Size (No. of Permits)	411	463	600
Average Weekly In-Service Hours	N/A***	33,950	39,780
Average Weekly Trips	46,740	44,420	42,830
(Average Daily Trips)	6,680	6,350	6,120
Average Weekly Paid Miles	205,120	203,330	203,920
Average Weekly Vehicle Miles	417,690	443,590	471,210
Average Weekly Fare Revenue	\$172,720†	\$194,930	\$243,330
Average Weekly Riders	N/A***	66,630	64,245
Average Trips per Cab per Day	16.3	13.7	10.2
Average Riders per Trip	N/A	1.5	1.5
Ratio of Paid to Total Vehicle Miles	0.491	0.458	0.433
Trips per Hour	1.60	1.31	1.08
Paid Miles per Hour	6.89	5.99	5.13
Fare Revenue per Hour	\$5.81	\$5.74	\$6.12
Riders per Hour	N/A	1.96	1.96

*Data from "Annual Review of Taxicab Rates," San Diego City Manager's Report to the Honorable Mayor and City Council, June 28, 1978, and data reported for the year 1977-78 in "City of San Diego Taxi Cab Operating Data," from the city's rate analyst, no date.

**Data from industrywide sample of August trip sheets and three-round Passenger Profile Survey.

***N/A = not available.

†Rate analyst's estimate based upon aggregate data from multi-certificated companies plus partial data from independents (unweighted).

Where on the basis of the trip sheets, the ratio of paid to total miles dropped from 0.458 in 1979 to 0.433 in 1980, the 1978 ratio is reported as 0.491. That is, drivers in 1978 logged 2.0 vehicle miles for every paid mile. The number of average weekly paid trips as recorded on the trip sheets declined about 4 percent from 44,420 to 42,830 between 1979 and 1980.* The 1978 annual rate review indicated that the industry logged about 46,700 trips in 1978. On the basis of this estimate, the industry booked 16.3 trips per cab per day in 1978, while the trip sheets data produce an average of 13.7 trips per cab per day in 1979 and 10.2 in 1980.

Weekly fare revenue and revenue per shift did not decline between 1979 and 1980, chiefly owing to rate increases and a rise in the average trip length since August 1979. Average weekly fare revenue rose 25 percent from \$194,930 to \$243,330, between 1979 and 1980. The rate analyst's report indicated that weekly fare revenue was about \$172,720 in 1978.

6.2 EFFECTS BY COMPANY TYPE

6.2.1 Changes in Company Group Shares of Average Weekly Trips

The changes in company group shares of average weekly taxi trips between 1979 and 1980 displayed in Table 6-2, like those of shifts supplied, relate primarily to the changes in taxi industry size and structure. Yellow Cab, which held 60.5% of all taxi permits in August 1979, captured nearly two-thirds (66.4%) of average weekly taxi trips; the company's share of permits dropped to 46.8% and its share of weekly trips to just over half (53.5%) by August 1980.

*Comparisons between the trip sheet results and operating data supplied by taxi companies for 1979 and 1980 suggest that the estimate of total weekly trips could be as much as 15% higher in either year. Internal consistencies among these data, however--for example, the average 1979 trip length would have been 4.5 miles and trip fare, \$1.72--call the reliability of these operating reports into doubt.

TABLE 6-2 CHANGE IN COMPANY GROUP SHARES OF AVERAGE WEEKLY TRIPS: 1979 and 1980

	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
1979	29,490	66.4	2,570	5.8	660	1.5	8,790	19.8	2,570	5.8	2,570	5.8	44,420	100.0%
Sample Size	724		254		78		562		39		357		2,010	
1980	22,920	53.5	4,240	10.0	960	2.2	10,130	23.7	1,230	2.9	3,350	7.8	42,830	100.0%
Sample Size	652		490		125		585		117		387		2,358	

TABLE 6-3 CHANGE IN COMPANY GROUP SHARES OF AVERAGE WEEKLY REVENUES: 1979 and 1980

	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
1979	116,860	59.9	15,260	7.8	4,200	2.2	43,430	22.3	2,120	1.1	13,060	6.7	194,930	100.0%
Sample Size	724		254		78		562		39		357		2,014	
1980	113,775	46.8	27,340	11.2	7,415	3.0	62,940	25.9	8,475	3.5	23,385	9.6	243,330	100.0%
Sample Size	652		492		125		585		117		387		2,358	

All of the other company groups shared in the reduction of the largest operator's dominance of the market, but two showed larger than average increases. The CO-OP members' permit share grew from 8.6% to 13% while their share of trips increased from 5.8 to 10.0%. The other fleets' permit share increased from 18.8% to 20.3% while their weekly trip share went from 19.8% to 23.7%. As previously noted, Yellow and the other fleets maintained higher service levels than their shares of taxi permits, and similarly captured higher shares of taxi trips in both years. There was little variation among company group shares of trips by day of week.

6.2.2 Changes in Company Group Shares of Average Weekly Fare Revenues

All of the other company groups also increased their shares of average weekly revenues at the expense of the major supplier as shown in Table 6-3. Yellow dropped from a majority share (59.9%) of weekly revenues in 1979 to under half (46.8%) in 1980. The CO-OP members, the unaffiliated one-cab firms and the other fleets all captured an increased share of the market.

Variation in average revenues by day of week is as can be expected from the other results: that is, Fridays and weekend days are more productive than weekdays. Fridays produce 1.2 times as much fare revenue as weekdays and 1.3 times as much as weekend days in 1979. This variation is re-emphasized in 1980, owing to most companies' concentration on Friday and weekend shift production at the expense of weekdays. Fridays are 1.6 times as productive in fare revenues as weekdays in 1980, while maintaining their margin over weekend days.

6.2.3 Changes in Average Shift Productivities by Company Group

6.2.3.1 Trips per Shift - Table 6-4 presents the average number of trips booked per shift by day of week and company group for 1979 and 1980. The primary changes are first, the general decline in trips per

TABLE 6-4 AVERAGE TRIPS PER SHIFT BY DAY OF WEEK AND COMPANY GROUP: 1979 and 1980

Day of Week	COMPANY GROUP													
	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	79	80	79	80	79	80	79	80	79	80	79	80	79	80
Weekday	12.5	10.0	11.0	9.0	11.0	7.5	11.4	10.2	8.5	8.9	11.1	8.0	12.1	9.6
Friday	14.1	12.8	12.6	12.0	12.1	9.7	13.1	14.3	9.8	11.8	13.3	11.7	13.7	12.8
Weekend	14.0	13.5	12.0	12.0	13.2	10.6	13.0	13.4	13.8	11.8	11.6	11.4	13.4	13.0
Total	13.1	11.4	11.5	10.3	11.7	8.6	12.0	11.7	9.7	10.2	11.6	9.5	12.6	11.1
Sample Sizes	724	652	254	492	78	125	562	585	39	117	357	387	2010	2358
Group Std. Deviation	6.61	7.12	4.67	4.70	4.82	4.73	6.03	6.39	4.37	5.11	4.92	6.01	6.28	6.57

shift among all company groups and second, the major supplier's loss of pre-eminence as the most productive. Yellow Cab's average productivity dropped from 13.1 trips per shift in 1979 to 11.4 trips per shift in 1980; it by no means shows the steepest productivity decline, however. ICOA members, the unaffiliated one-cab companies and the CO-OP also show significant decreases, from the ICOA members, who went from 11.7 to 8.6 average trips per shift, and non-member single-cab outfits, which declined from 11.6 to 9.5 trips per shift, to CO-OP members, whose average productivity declined from 11.5 to 10.3 trips per shift. The other fleets show no significant loss of trip productivity between years. Yellow and the other fleets remain the most productive in terms of trips in 1980, moreover.

All of the company groups show their significant productivity declines on weekdays. Fridays and the weekends remain more or less unchanged, averaging 2 to 3 more trips per shift than on the weekdays for nearly all company groups. Friday shift trip production is generally not significantly higher than on weekends, however. (Note that the 1979 sample size is too small for significant findings in the case of the mini-fleets.) As Fridays and weekends attract service suppliers away from weekdays, the question arises as to the magnitude of unmet demand which remains during the week as drivers avoid these presumably less profitable shifts.

6.2.3.2 Paid Miles Per Shift - Table 6-5 presents the average number of paid miles driven per shift by day of week and company group for 1979 and 1980, and highlights some interesting variation with changes in trips per shift. The industrywide average of paid miles per shift dropped from 58 to 52 miles, chiefly attributable to changes recorded by Yellow Cab and the CO-OP. Yellow's average paid mileage for all days of the week dropped from 56.6 to 48.0 while CO-OP members decreased from 68.9 to 59.6. The mini-fleets also decreased their paid mileage per shift from 64.5 in 1979 to 51.0 in 1980 (significant at 95% level only).

TABLE 6-5 AVERAGE NUMBER OF PAID MILES DRIVEN PER SHIFT BY DAY OF WEEK AND COMPANY GROUP: 1979 and 1980

Day of Week	COMPANY GROUP													
	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	79	80	79	80	79	80	79	80	79	80	79	80	79	80
Weekdays	53.7	41.1	63.8	51.4	66.6	55.0	51.6	53.9	58.3	42.0	58.7	48.1	54.5	45.3
Fridays	60.6	52.4	78.1	69.1	82.0	84.0	63.1	62.8	52.6	56.5	66.4	68.0	62.7	57.1
Weekend Days	61.6	60.5	73.6	72.9	70.1	97.1	64.5	61.0	90.0	54.1	59.1	64.8	63.1	62.5
Weekly Average Paid Miles Per Shift	56.6	48.0	68.9	59.6	70.1	69.8	56.5	57.1	64.5	51.0	59.9	55.4	57.9	51.8
Sample Sizes	724	652	254	492	78	125	562	585	39	117	357	387	2010	2358
Group Std. Deviation	28.5	32.5	27.7	29.5	27.9	50.9	27.3	33.2	26.5	35.5	27.1	42.2	28.4	34.2

But several company groups maintained more or less the same level of paid miles between years--even though their trip productivities deteriorated. In other words, these groups--ICOA members and unaffiliated single-cab firms, chiefly--were running fewer but longer trips in 1980.

As with trips, average paid miles per shift showed little or no decline on weekends. The significant losses on the weekdays are among CO-OP members, whose weekday average paid mileage dropped from 63.8 in 1979 to 51.4 in 1980, Yellow Cab, which decreased from 53.7 to 41.1 and the unaffiliated single-cab firms, which declined from 58.7 to 48.1 paid miles per shift. Fridays also showed an aggregate decline, from 62.7 to 57.1 paid miles per shift between 1979 and 1980.

6.2.3.3 Total Vehicle Miles per Shift - Unlike paid mileage, total vehicle mileage logged during a taxicab shift is more directly under the operator's control. Limiting total mileage improves the overall operating ratio by reducing gasoline and maintenance costs--for owner-operators--and mileage charges levied against lease drivers in addition to the lease fee. If a driver can station him or herself near an abundant source of trips, mileage charges can be held to a minimum. Thus the attraction of the airport and other high-demand taxi stands. With a proliferation both of independent owner-operators under open entry and the increasing trend to lease driver arrangements for taxicab operation, therefore, we would expect to witness a drop in total vehicle miles driven per shift.

Industry average total miles per shift does decline, and thereby manages somewhat to preserve the industry ratio of paid to total miles within an acceptable range, as we have seen. The company groups chiefly responsible for this decline are also those comprising the largest numbers of owner-operators: the CO-OP, the ICOA and the unaffiliated one-cab companies. CO-OP members and non-member single-cab firms show the greatest decreases in their total miles between 1979 and 1980, from 146.4 miles per shift in 1979 to 120.7 in 1980 in the first case, and from 132.4 to 119.2 in the second.

6.2.3.4 Ratio of Paid to Total Miles - The foregoing changes are demonstrated in the resulting ratios of paid to total vehicle miles reported for the different company types in Table 6-6(a). That of Yellow Cab has deteriorated significantly; Yellow drivers logged 2.2 miles for every paid mile in 1979 and 2.5 miles for every paid mile in 1980.* Mini-fleet drivers reported similar statistics. The other fleets reduced neither their paid nor their total miles. All other company groups, those with the highest incidences of the smaller ownership types, actually improved their paid-to-total-mile ratios. ICOA members, who focus operations on the air t, show the greatest overall improvement, followed by CO-OP and the other single-cab firms. These improvements are directly related to the fare revenue productivities of these firms, discussed in the next section.

TABLE 6-6 CHANGE IN RATIOS OF PAID TO TOTAL MILES: 1979 and 1980

a. By Company Group:							
	<u>Yellow</u>	<u>CO-OP</u>	<u>ICOA</u>	<u>Other Fleets</u>	<u>Unaffiliated Mini-Fleets</u>	<u>Unaffiliated One-Cab</u>	<u>Total Industry</u>
1979	0.457	0.473	0.461	0.458	0.458	0.452	0.458
1980	0.400	0.496	0.506	0.458	0.404	0.470	0.433
b. By Day of Week:							
	<u>Weekday</u>	<u>Friday</u>	<u>Weekend</u>	<u>Total Weekly</u>			
1979	0.449	0.476	0.467	0.458			
1980	0.409	0.457	0.460	0.433			

*At \$0.09 per mile, Yellow's mileage charges typically double the base price of a 12-hour lease.

6.2.3.5 Fare Revenue Per Shift - The other fleets increased their average fare revenue per shift from \$59.44 to \$72.62 (22.2%) while their Friday revenues grew 31 percent. Moreover, although their weekday trip productivity deteriorated the fleets experienced an 18 percent rise in their average weekday shift revenues. This group of companies, however, generally maintained its average trip levels, becoming the industry leader in per shift trip production in 1980. This, combined with the average 19 percent increase in rates these companies filed during the year, produces the rapid increases in average fare revenue.

Yellow Cab recorded a small increase (8%) in average revenue per shift along with more substantial increases in weekend and Friday shift revenues, of 26 percent and 14 percent respectively. These changes are in keeping with the company's 13 percent drop in per shift trip production and 20 percent rise in average trip fares over the year.

Recording average fare revenues significantly higher than those of largest supplier but lower than the other fleets are all of the smaller operation types. These include the two membership associations, the mini-fleets and the unaffiliated one-cab firms. Since these groups recorded significantly fewer trips per shift than Yellow and their rates are not sufficiently higher to account for the whole difference in revenues, it evidently results from the longer trips these companies book. The unaffiliated one-cab firms experienced a 13 percent rise in average shift revenues, from 58.71 to \$66.40, as well as even larger increases on the weekend and Fridays.

ICOA members' shift revenues declined, along with the sharp reduction in their average trips per shift, from \$74.74 to \$66.04 (12%), but still remain high despite their low trip production. CO-OP member operators experienced a 12 percent reduction in average fare revenues on weekdays, but managed generally to hold the line on their average revenues between 1979 and 1980. Given that CO-OP member firms did not increase their rates appreciably after August 1979 and that their average trip production per shift declined 10 percent, this achievement can only be explained by a higher incidence of long-haul trips.

6.2.3.6 Trip Lengths - Comparing average trip lengths by company group for both years further supports this hypothesis. All of the other company groups have higher average trip lengths than the largest firm in both years and generally higher than the other fleets as well, as shown in Table 6-7.

TABLE 6-7 CHANGE IN AVERAGE TRIP LENGTH BY COMPANY GROUP:
1979 and 1980

	<u>Yellow</u>	<u>CO-OP</u>	<u>ICOA</u>	<u>Other Fleets</u>	<u>Unaffiliated Mini-Fleets</u>	<u>Unaffiliated One-Cab</u>	<u>Total Industry</u>
1979	4.31	5.97	5.96	4.70	6.89	5.23	4.58
1980	4.21	5.81	8.35	4.87	4.65	5.87	4.76

Non-member one-cab companies have the highest average trip lengths in 1980, which helps to explain how they can maintain their high average fare revenues while their trip production is so much lower. On the other hand, the dramatic increase in ICOA's average trip length is not sufficient to offset the steep reduction in its trip production between 1979 and 1980. CO-OP members have relatively short but still the third longest average trip lengths in 1980, which somewhat offsets their drop in trip production and helps maintain their average revenues.

6.2.3.7 Hourly Productivities by Company Group - Table 6-8 summarizes average hourly productivities by company group for 1979 and 1980 for three key indicators: trips, paid miles and fare revenue. These measures help to crystallize the issue of productivity from the taxi driver point of view.

a. Trips Per Hour - Most company groups are less active in 1980 than in 1979 in terms of number of trips booked per hour. Indeed, the major operator relinquishes its 1979 industry leadership to the other fleet types, while only the ICOA members and mini-fleets--the industry's lowest trip suppliers--appear to make any improvement in their hourly trip rates. That is, by running shorter shifts. The other fleets and Yellow Cab remain the most productive of all company groups.

b. Paid Miles Per Hour - Hourly paid miles logged reveal similar reductions in activity for the majority of all companies as well. Where most of the vehicles--those in Yellow, the CO-OP and mini-fleets--were occupied 18 to 20 minutes out of the hour in 1979 (at an average 20 miles per hour as previously estimated), they are engaged only 13 to 18 minutes in 1980. Thus up to five additional minutes per hour, or almost an hour per shift is "down" time for these operators in 1980.

On the other hand and owing to their longer trips, ICOA member drivers are more active in 1980 than in 1979, driving 6.85 paid miles per hour or 21 minutes on average in 1980 compared with 4.5 miles or 14 minutes per hour in 1979. These operators are engaged over an additional hour (67 minutes) per shift on average in 1980.

c. Fare Revenue per Hour - None of the company groups experiences a drop in hourly fare revenues collected between 1979 and 1980, whatever changes occur in their other productivities. Lease drivers for the larger operations (Yellow and the other fleets) booked \$5.79 to \$8.00 on

TABLE 6-8 CHANGES IN HOURLY PRODUCTIVITIES BY COMPANY GROUP: 1979 and 1980

	Yellow		CO-OP		ICOA		Other Fleets		Unaffiliated Mini-Fleets		Unaffiliated One-Cab		Total Industry	
	79	80	79	80	79	80	79	80	79	80	79	80	79	80
a. Trips per Hour	1.42	1.17	1.11	1.03	0.75	0.82	1.22	1.29	0.90	0.95	1.05	0.96	1.31	1.14
b. Paid Miles per Hour	6.11	4.91	6.61	6.01	4.50	6.85	5.74	6.27	6.23	4.40	5.49	5.61	5.98	5.42
c. Fare Revenue per Hour	\$5.62	\$5.79	\$6.58	\$6.67	\$4.80	\$6.34	\$6.04	\$8.00	\$5.81	\$6.52	\$5.33	\$6.68	\$5.74	\$6.47

average per hour (up 3% to 32% from 1979),* while owner-operators and lease drivers for the smaller company types booked from \$6.34 to \$6.68 (up 12% to 32%).

CO-OP relinquishes its 1979 industry leadership in hourly fare revenues, chiefly in maintaining its low exclusive ride rate while the other company types raise theirs. Yellow's high trip productivity is not directly reflected in higher fare revenues, moreover, because of the higher incidence of short-haul trips the company supplies. Indeed, it is their chief supplier; most of the other company types are evidently avoiding this market in 1980.

6.2.4 Variations and Changes in Shift Productivities of Veteran and New Owners

6.2.4.1 Owner Type Shares of Average Weekly Trips -- Veteran permit holders (besides Yellow Cab) experienced no significant reduction in their share of average weekly trips between 1979 and 1980. New permit holders enlarged their share of weekly trips from 4.6 percent in 1979 to 19.2 percent in 1980 as their share of all taxi permits increased from 8.9 percent to 21.9 percent. There was no significant variation or change among owner types by day of week.

There was also no significant change or variation in trip production per shift by owner type in either year. The major factor here is apparently company size and/or organization type, as previously reported.

6.2.4.2 Paid Miles - New permittees logged significantly higher average numbers of paid miles per shift than either Yellow Cab or other veteran permit holders in 1979. The new permit holders experienced sharp reductions in their average paid miles (from 64.6 to 58.5 per shift) between 1979 and 1980, bringing them on par with the other veteran owners (besides Yellow) in 1980.

*Recall that Yellow shifts lengthened an average hour between 1979 and 1980.

The new permittees improved their paid to total mile ratio between 1979 and 1980, chiefly by reducing their total vehicle miles. Drivers for new permit holders logged 2.3 miles for every paid mile in 1979 and 2.1 miles in 1980, along with those of other veteran owners. As the average trip length booked by those firms grew from 5.19 miles in 1979 to 5.72 miles in 1980, it also exceeded that of other veteran-owned companies.

6.2.4.3 Fare Revenues - The new permittees increased their share of average weekly fare revenues from 5.9% in 1979 to 22.2 percent in 1980, in approximate proportion to their increased share of all taxi permits. New permit holders suffered no drop in average fare revenues per shift between 1979 and 1980, although their average fare revenues collected per shift do not vary significantly from those of veteran permit holders.

6.2.5 Variation Among Employee, Lease, and Owner-Operator Shifts

Employee (or commission) driven shifts were shorter than both lease driver and owner-operator shifts in 1980, averaging 9.6 versus 10.7 and 10.8 hours, respectively. The shorter shifts produced fewer trips: 8.9 trips per shift compared with 10.0 for owner-drivers and 12.8 for lease drivers. Employee drivers also logged the fewest paid miles, 34.6, compared with 58.4 for lessees and 64.6 for owner-drivers. The employees had only slightly fewer total vehicle miles, however, so that their average ratio of paid to vehicle miles was the least productive. Employee drivers logged 3.7 miles for every paid mile, compared with 2.4 miles for the other driver types. In keeping with these other results, employee drivers had the lowest fare revenues per shift in 1980 as well, averaging \$47.71 compared with \$69.12 for the lessees and \$74.34 for the owner-drivers.*

*The completeness of employee trip sheets seems questionable. At a commission of 50% of the sheet less \$0.10 per trip (to cover fringes), these employee drivers would have taken home \$23.00 (less gas!) for over nine hours work. It therefore appears that their trip sheets do not fully record their day's bookings, excluding either charge account business or other contract trips or both.

6.2.6 Changes in Per Vehicle Productivities by Company Group

Table 6-9 presents a summary of daily per vehicle productivities by company group for 1979 and 1980, in comparison with each group's share of all taxi permits. The overriding change with the increase in industry size is the general reduction in productivity per vehicle. Industry average trips per vehicle per day dropped from 13.7 in 1979 to 10.2 in 1980. The number of paid miles driven fell from 62.7 to 48.6, but many drivers also reduced their total vehicle miles, so that the ratio of paid to total miles only decreased from 0.458 (2.2 miles driven for every paid mile) to 0.433 (2.3 total miles per paid mile). Owing to the 19 to 37 percent increases in rates daily fare revenues per vehicle hardly decreased despite these reductions in productivity. Industry average daily fare revenue per vehicle was \$60.15 in 1979 and \$57.94 in 1980.

The per vehicle productivities calculated on the basis of individual company group are generally lower than per shift productivities, especially in 1980, because of utilization rates of less than one shift per vehicle per day. Only Yellow Cab and the other fleets maintain over one shift per vehicle for seven days week in both years. Owing to these higher utilization rates, these multi-permitted firms generally produce the highest return in terms of trips and fare revenues per cab per day, despite the decreases from 1979. The comparatively high daily per vehicle paid to total mile ratios achieved by the smaller company types --CO-OP and ICOA members and the one-cab firms--help to explain how these companies continue to prosper despite low trip production. Their higher proportions of longer trips and minimal unpaid mileage are the primary factors here.

These results raise some key issues related to taxicab service supply and availability. First is the varying interest of different company types in high average hourly trip or fare revenue rates. The larger company types which in essence rent their vehicles to lease

TABLE 6-9 SUMMARY OF PER VEHICLE PRODUCTIVITIES BY COMPANY GROUP: 1979 and 1980

	Number of Share of Permits #	%	Trips per Cab per Day	Paid Miles per Cab Day	Ratio of Paid to Total Miles per Cab per Day	Fare Revenue Per Cab per Day
1979:						
Yellow	280	60.4	15.0	64.3	0.457	\$59.62
CO-OP	40	8.6	9.2	54.8	0.473	54.50
ICOA	13	2.8	7.3	43.2	0.460	46.15
Other Fleets	87	18.8	14.4	67.8	0.458	71.31
Mini-Fleets	7	1.5	6.7	46.4	0.457	43.27
One-Cab Companies	36	7.8	10.2	53.3	0.452	51.83
Industry Average	463	100.0%	13.7	62.7	0.458	\$60.15
1980:						
Yellow	281	46.8	12.0	49.1	0.399	57.84
CO-OP	80	13.3	7.6	44.0	0.496	48.82
ICOA	22	3.7	6.2	52.1	0.506	48.15
Other Fleets	122	20.3	11.9	57.8	0.458	73.70
Mini-Fleets	18	3.0	9.8	45.4	0.404	67.26
One-Cab Companies	77	12.8	6.2	36.5	0.470	43.39
Industry Average	600	100.0%	10.2	48.6	0.433	\$57.94

drivers are primarily interested in lease revenues. Their major attractions for lease drivers are a well-developed radio business and the high name recognition that promises to produce numerous trips.* In maintaining these attractions, the large companies' interests are generally consonant with those of the taxi travelling public: quick response times, radio-dispatched citywide service, competitive rates. But these priorities are not ultimately consistent with the primary lease driver objective: a high individual return per shift in terms of fare revenues. Since the lease drivers are not in the position to change company operating style, there is some incentive for them to avoid the large citywide suppliers in favor of the more exclusive, long-haul-focussed service of their smaller competitors.

The small company types are most directly interested in the bottom line, or a high rate of fare revenues per shift, because most are owner-operated, at least for one shift four to five days per week. Since these operators depend directly on fare revenues their interests are essentially the same as those of lease drivers. Several factors, moreover, hinder small owner-operators' developing into a lease-oriented operation. Whatever lease revenues a second or alternate shift can produce need to offset the added vehicle insurance and maintenance costs. Temporary loss of the vehicle can be potentially crippling. The small company types generally charge lower lease fees because they cannot offer the strong radio approach, nor can they insist that lease drivers pick up bells in order to build up their radio business. To attempt to solidify the bell and radio business is a potentially costly strategy, at least for the short term. The near term losses must be offset by shared perception of a longer-term goal such as increased name recognition, development of charge customers and the like.

*Vehicle appearance and maintenance are likely also a factor in lease driver company choice decisions, and these company types appear to have an advantage over their competitors here, as reported in 4.4.

The near-term scenario, therefore, does not look hopeful for low-cost, high response, citywide service. As long as the airport and other high demand sources of potentially long-haul trips offer sufficient trips to out-produce (in dollars) the citywide service approach, there is no incentive to look elsewhere. Indeed, this service model will tend to attract drivers away from the traditional one.

At least over the short term. As we have seen, average trip production declined along with total trips between 1979 and 1980. The membership associations contended throughout 1981 and 1982 that the airport and other stands were saturated, and that a strong bell business was the wave of the future. As industry size continues to grow--and if demand continues to drop or even stays the same--competition for short trips should also increase. But these effects have not been documented in this early period following open entry.

7. EFFECTS ON REGULATORS

The taxi regulatory revisions impact upon regulators in three primary ways. First is the institutional feasibility of the changes and whether they realize the policy goals of the code revisors. These effects include taxi industry opposition and other institutional barriers encountered and the steps required to overcome them. Closely related to these are the interjurisdictional issues raised by the changes and the need to identify, achieve, and implement follow-on regulatory revisions both unilaterally and in cooperation with other agencies.

Also important are the administrative feasibility of the new regulations and the city staff time to implement the new licensing procedures, conduct inspections, maintain rate filings, handle complaints and generally interface between the taxi industry and the public. Finally are the estimated dollar costs of the new procedures and the proportion of these costs which is recovered in the additional license and other fees collected.

7.1 INSTITUTIONAL FEASIBILITY

7.1.1 Implementation Issues

One of the primary aims for adopting the taxi regulatory revisions in San Diego was to release the Council from the onerous periodic tasks of evaluating need for additional service and setting taxi rates of fare, particularly the latter. In general, the 1979 Paratransit Ordinance appears to have achieved this goal. Although administrative staff involvement in taxi regulation has increased, that of the City Council has declined substantially, particularly during 1981, despite enactment of a housekeeping measure to implement the new airport rules.

The first three years of taxi regulatory revision, moreover, have demonstrated its institutional feasibility in San Diego. From the regulators' point of view, policy and administration have remained consistent with the original spirit of the 1979 code changes. Subsequent

regulatory revisions, such as the October 1980 removal of the taxi rate ceiling and elimination of the financial information reporting requirement, have also been in the same direction as the initial changes. Aside from the airport taxi rate limits, there has been no contradiction of fundamental city regulatory policy or sentiment.

The lack of legal challenges to the new regulatory code despite early taxi operator protests to open entry also testifies to the success of the code revision process. A few operators have tried to short-cut the permit process and fewer still attempted to influence the weighted average rate calculated to establish the bounds for airport taxi rates, but there have generally been no organized industry efforts to thwart or overturn the new code requirements. Operator presentations to port hearings on the proposed airport taxi enforcement procedures and their subsequent compliance with these rules as adopted offer the latest test of the feasibility of taxi regulatory reforms.

A few operators exacted exorbitant fares from unsuspecting airport and military customers and there was a temporary rise in short-haul refusals from the airport. Monitoring the adequacy of taxi operator liability insurance has posed some administrative difficulties. And early 1982 witnessed a mass arrest of drivers--mostly of one company--on drug charges. But there has been no over-whelming rise in illegal practices by taxi operators. Attempts by taxi and jitney operators to use SDTC bus stops--legal under the new ordinance--have raised the ire of the transit operator.

Taxi consumer complaints have evidently been kept to a minimum despite a reported surge in airport violations during late 1979. No comprehensive data for estimating changes in the frequency or nature of taxi-related complaints was available to the evaluation, however. According to the SDPD Paratransit Detail, most complainants either fail to supply supporting evidence or will have left the area by the time the investigation receives a hearing. Neither the P/TA nor the Convention and Visitors Bureau had any supplementary information to offer.

7.1.2 Interjurisdictional Issues

The major interjurisdictional issues highlighted by the San Diego code revisions have been the impacts on airport taxi industry size and operations and the impulse to regional taxi regulation.

7.1.2.1 Effects on Airport Taxi Industry Size and Operations - Since Lindbergh Field, the San Diego International Airport, is located within the San Diego city limits, the city's taxi regulatory revisions directly affect airport taxi operations although airport ground transportation falls under the jurisdiction of the San Diego Unified Port District. Since airport pick-ups represented a rich source of potentially long-haul trips, while pre-existing airport rules provided for city taxi permit holders to acquire an airport sticker with ease open entry in the city produced a rapid growth in airport taxi operators. With the increase in airport taxi operators, the port contended, came a proliferation of enforcement problems, including short-haul refusals, queue-jumping, double-loading and the like. Open rate setting was particularly controversial since the fundamental principle of the airport taxi queues was first in, first out.

In the face of mounting airport taxi problems, late in 1979 the port began to deliberate a course of action. In the meantime, it enacted a six-month moratorium on new ground transportation permits. In July of 1980, the port lifted the moratorium, raised the airport taxi permit fee from \$25 per year to \$100 semi-annually and presented its position on taxi issues. The Port Attorney had ascertained that the port had no authority under the California State Code to limit the number of airport taxi operators or establish airport taxi rates. All the port could legally do was to limit the number of spaces in the airport taxi queues. Cooperation with the city was therefore essential to achieve resolution of the problems.

A Mayor's task force of City Council, Port Commission, and staff members was established to pursue a cooperative solution; it presented two primary proposals in late 1980. The added permit revenue would allow the port to employ seven full-time ground transportation information personnel, or starters, to administer the taxi queues, providing information on variable rates, helping with passenger boarding and recording rule violations. In exchange for this procedural innovation sought by the city, airport taxi rates were to be limited to a range of +20 percent of the weighted average of all city taxi flag drop and mileage charges. The city was to recalculate and publish the new parameters quarterly.

The city codified the +20 percent range in airport rates and its responsibility for calculating the weighted average flag drop and mileage charges in a January 1981 ordinance (see Appendix C). The new rules went into effect at the airport as of April 1981, but it was June before the starters were put into operation and February 1982 before the port had established its system for enforcing the new regulations. (See Section 3.3.1 for details.)

It should be emphasized that although these new regulations evidently resolve the primary airport taxi problems to the satisfaction of the port, inconsistent regulatory policy persists. First was the contradiction between open entry in the city and a moratorium on new taxi permits at the airport. Strict adherence to a first-in, first-out queue policy, moreover, militated against variable pricing, but so does the +20 percent range on airport taxi rates. Although the majority of taxi operators (and certainly that of all taxi vehicles) operate well within this range, smaller operations with lower rates are potentially threatened as well as those with higher ones. The next rise in rates filed by the city's largest operator will raise the weighted average so as to require these smaller competitors to raise their city rates--or provide dual metering capability--or abandon the airport market. As section 4.2.5 reports, it also appears that the upper limit on airport taxi rates has tended to retard the rise in citywide fares.

Consumer education remains an issue, too. Many visitors are unaware that taxi rates vary in San Diego while airport rules make it incumbent upon the passenger to obtain price information and an acceptable ride. The airport rate ceiling helps to limit the passenger's risk, but a passenger may be sensitive to even a 20 percent difference calculated on a long-haul trip. Attempts by the starters to provide price quotes are viewed as favoritism by some operators. Some means of consumer access to taxi and jitney price information seems warranted.

7.1.2.2 Multi-jurisdictional Taxi Regulation - In contrast to the temporary inter-jurisdictional conflicts which arose as a result of taxi regulatory revision in San Diego is a more recent impetus to regional taxi regulation as a result of the experience of open entry in the city and county. Spear-headed by the San Diego Association of Governments (SanDag), the local metropolitan planning organization, this effort is envisioned as a two-step process.

The first step involves development and uniform implementation of a model taxi ordinance among the fourteen smaller municipalities. The ordinance is envisioned as a composite of the code provisions adopted in the city and county and is to incorporate open entry, variable pricing, jitneys, per capita and zone-based fares, and encourage shared-riding. Achieving a consensus on this ordinance is expected to derive momentum from the impetus toward taxi regulatory change already developing among some of the smaller cities. Coronado and Chula Vista, for example, have established a maximum, rather than a standard, taxi rate after the City of San Diego's example.

The second step involves establishment of a single agency for regional taxi regulation and licensing, including collection and redistribution of permit revenues. The genesis of such a body, and the means to achieving a regional consensus on the model taxi ordinance, has been identified in the local Paratransit Coordinating Committee currently

required under California Assembly Bill 120 to achieve coordination of paratransit services. Representing each of the local municipalities, the county, the port, San Diego, and the taxi industry, the committee holds the promise of an on-going forum for inter-jurisdictional planning and cooperation on taxi issues.

7.2 ADMINISTRATIVE REQUIREMENTS

The adoption of open entry in the City of San Diego brought with it a need for systematic procedures to accept, qualify and process taxi permit applications and issue new licenses on an on-going basis. Prior to the turbulence of 1976-77, when a strike against the largest operator and the bankruptcy of several small companies occasioned a waiting list of applicants for new taxi permits and the issuance of 72 licenses--62 to new independent owner-operators--the San Diego industry was generally stable. Monitoring changes in industry size was relatively straightforward, as were issues of regulatory compliance. There were at most ten taxi companies to deal with.

The issuance of the original 62 owner-operator permits prior to open entry per se initiated the permit application and processing procedures which city staff would follow during the early phases of open entry itself. But there was a signal difference to the earlier effort. A pre-determined number of permits was issued from a standing pool of applicants. The primary concern was to ensure fairness in the priority of applicant selection and in all processing steps. The major policy issue was whether to issue more than one permit to a single applicant at a time.

Adoption of open entry brought a volume of demand for new permits which consistently exceeded first the six and then 15 permit ceiling established by the City Council on the basis of the P/TA's estimate of how many permits it could process in a month. As the permit waiting

period lengthened above six months, policies and procedures were required to address not only multiple permit requests but also delays and requests for time extension or postponement, proposed permit transfers, and abuses such as selling one's place on the list or backing a surrogate applicant in order to obtain more than one permit at a time. Achieving uniform industry compliance with the new application requirements, moreover, was impeded by the sheer number of new taxi operations and hindered by the fact that many applicants and permittees are new to bureaucratic process and city personnel and vice versa.

Many of the regulatory staff were new themselves. The P/TA had three separate administrators and a high turnover among support staff during the first three years of open entry. These personnel changes were not a result of regulatory revision--except insofar as the first administrator was promoted in recognition of her achievements in the taxi regulatory area. But they had a direct effect on administrative implementation of the new code, leading to interruptions in industry liaison and loss of momentum and consistency in procedures and record-keeping systems. Responsibility for taxi permit issuance was divided, moreover, between the P/TA, which accepted and approved the permit application, and the SDPD Traffic Division, which performed the initial background check and final vehicle inspection and actually issued the medallion.*

In summary, the P/TA appears to have achieved increasingly successful implementation of its new code requirements against formidable odds. Procedural improvements were achieved throughout the implementation phase. Inter-departmental conflicts highlighted by the code changes have generally been resolved through mutual cooperation. Increased

*The PD experienced its own turnover as well, including two key members of the Taxi Detail.

familiarity with the new split of responsibilities has also helped in this regard. Current administrative re-organization includes streamlining of application procedures to shorten processing time (and waits), encourage applicant confidence and preclude efforts to circumvent the process. Operator liaison activities are also being established on an ongoing basis to encourage city-industry cooperation and in hopes of stimulating service innovations.

It should be noted that there have been relatively few challenges to the administrative process since regulatory revision. Appeals of city permit denial or revocation decisions have been heard according to the appeals procedure established in the 1979 Paratransit Ordinance.

7.3 COSTS OF TAXI REGULATION

Only incomplete data has been made available to the evaluation to estimate the changing costs of taxi regulation since the code changes. The following sections treat the three primary jurisdictions: the City of San Diego, the San Diego Unified Port District and San Diego County.

7.3.1 City of San Diego

Paratransit Administration staff have reported increased time and dollar costs of taxi regulation since open entry. Prior to the 1979 ordinance, the Financial Management Department estimated application processing costs at \$200, and the annual cost of taxi regulation at \$220, per permit. Fees were set at 50 percent recovery--or \$100 application fee and \$110 annual regulatory fee--to provide an incentive to independent owner-operators to enter the local industry. No estimate of regulatory costs by functional area was available, but the total annual regulatory cost calculated on a base of 411 permits (including limited permits but with no new applicants) would have approximated \$90,420

In mid-1981, as a result of the burgeoning workload of processing taxi permit applications and carrying out the various activities of taxi regulation, the Paratransit Administration and Police Department recalculated their costs in support of a request for additional staff. Their estimated cost breakdown is shown in Table 7-1. These costs were calculated on the basis of 11.5 hours of staff time per application and 15 hours per permit spent in regulatory activities. At \$100 per application and \$110 per permit regulatory fee, the city's analyst estimated that \$35,700 and \$127,930, respectively, had been collected in fees, while \$21,860 and \$104,525 in costs had been unreimbursed to the city in the two and one half years since open entry was adopted.

Further scrutiny by the city suggested, however, that these estimates actually fell short of current costs. The fact that the analyst's estimated per-permit application processing cost, for example, exceeds the pre-1979 estimate by only 4.5 percent tends to support this assessment. Perhaps staff were accommodating the increased workload within their available time because they had no alternative, or perhaps they simply underestimated their commitments. The P/TA proposes to re-estimate costs and raise fees, if necessary, but so as to maintain the 50 percent recovery ratio to preserve the incentive to small operators. In the meantime, these figures provide only a rough estimate of the costs of regulatory revision. The \$142,950 annual cost represents a 158 percent increase over the pre-1979 estimate of regulatory costs.

7.3.2 Unified Port District: San Diego International Airport

Prior to open entry the port recovered its costs of taxi regulation and enforcement with the \$25 annual airport permit fee. With 396 airport taxi permits in 1978, taxi permit revenues amounted to just under \$10,000.* In conjunction with the moratorium on new ground transportation permits

*That is, including no other ground transportation permit revenues.

TABLE 7-1 ESTIMATED COSTS OF TAXICAB REGULATION

<u>Staff and Other Costs Itemized by Department</u>	<u>Taxi Application Processing (per permit)</u>	<u>Annual Taxicab Regulation</u>
Police Department:		
Police Office II	\$ 40.70	\$60,160.00
Sergeant	.64	11,731.33
Lieutenant	-	8,111.20
Intermediate Clerk	4.32	-
Intermediate Typist	-	7,972.50
PD Overhead @ 32%	14.61	28,152.01
Paratransit Administration:		
Senior Clerk	43.20	-
Intermediate Clerk	-	7,978.50
Paratransit Administrator	10.71	4,948.38
Administrative Analyst	17.29	7,990.25
Financial Mgt. Overhead @ 14%	9.97	2,928.40
Licensing:		
Intermediate Typist	2.16	-
City Treasurer Overhead @ 14%	0.30	-
Non-Personnel Costs:	65.00	2,975.00
Total	\$208.90	\$142,947.57

Source: San Diego Paratransit Administration

and in anticipation of the city's proposal that the port implement full-time ground transportation dispatchers (queue starters) at the airport, the port calculated the costs of the dispatcher function as shown below.

TABLE 7-2 ESTIMATED COSTS OF AIRPORT GROUND TRANSPORTATION DISPATCHERS

Personnel (7 positions for 17 weeks)*	\$62,860
Uniforms	750
Printing Costs	<u>780</u>
	\$64,390

Source: San Diego Unified Port District

*The 17-week estimate is represented as covering the period July 1 - December 31, 1981 inclusive. No administrative or enforcement costs are included in this budget.

The port also estimated that \$67,500 in permit revenues had been collected from all ground transportation permits (taxis and other vehicles) issued for the first six months of the year. It further recommended continuation of the \$100 semi-annual permit fee as adequate to cover its regulatory costs through December 1981.*

*No other cost information has been provided to close the gap between this 17-week budget and the full costs of semi-annual support for the starters, or to estimate recovery of administrative and enforcement costs.

7.3.3 San Diego County

Although San Diego County provided no formal estimates of its costs of taxicab regulation to the evaluation, these costs can be approximated on the basis of taxi permit fees. Prior to the increases adopted in November 1980, new and renewal taxi permit fees in the County were \$50.00 plus \$5.00 per permit for the first 10 vehicles and \$2.00 per permit thereafter. With 427 taxicab permits outstanding in 1978, permit revenues amounted to approximately \$21,220 in annual renewal fees and about \$500 in new permit fees. These revenues reportedly provided full recovery of the County's regulatory costs.

According to Sheriff's Licensing Division staff, open entry increased the County's personnel costs for taxicab regulation during 1979-80, not by raising the total number of taxicab licenses, but rather by increasing the total number of individual taxi companies the agency had to contact and monitor. There was also a relatively high turnover among County taxi licenses during these first three years of open entry. In order to recover its increased costs in taxicab regulation (and perhaps in anticipation of a further drop in total permits as fees increased) the county raised its permit fees dramatically effective November 1980.

Since new permits required a financial responsibility appraisal and background criminal and traffic records check in addition to the County's license maintenance procedures, the fee for new permits was set somewhat higher than that for annual permit renewals. At \$146.00 plus \$40.00 or \$27.00, depending upon whether the Sheriff's office had to perform the vehicle inspection or could accept that of one of the municipalities, new permit fees would have produced about \$3,000 in 1981. Annual license renewals, at \$105 per permit plus \$40 or \$27, amounted to approximately \$19,000 more, calculated on the basis of 150 total licenses.* Comparing the 1978 and 1981 figures suggests that overall taxi regulatory costs have not increased but that the per permit cost has risen nearly three-fold.

*Jitney license fees were established equal to taxi fees but only one operator, with one vehicle, entered the County industry during 1981. The business folded in short order.

8. CONCLUSIONS AND TRANSFERABLE IMPLICATIONS

8.1 CASE STUDY CONCLUSIONS

8.1.1 Fluidity of the Local Taxi Industry

Open entry increased the fluidity of the San Diego taxi industry without leading to widespread instability--at least over the near term considered in this report. The numbers of permit holders and permits increased dramatically with relatively little turnover. Those small operators who exited the industry were generally able to transfer their permits and vehicles to other in-coming or existing operators. No pre-existing fleet operation has failed and both veteran and new permit-holders have taken the opportunity to expand their operations. Continuing demand for new taxi and jitney permits suggests that the local market has not reached its equilibrium.

8.1.2 Rates and Fare Increases

Average taxi rates for exclusive ride service increased more rapidly during the first 30 months of open rate setting than they had over the previous 30 months of standardization. Taxi rates still did not keep pace with the rise in the local Consumer Price Index, however, which supports industry contentions that regulation was holding rates artificially low. The larger, chiefly veteran, operations have tended to file and maintain lower rates than the smaller new companies, and therefore the large majority (over 80%) of all taxi vehicles to be offered at the lower end of the rate spectrum. Price competition between the city's two largest radioed entities has occurred but there has been little pricing innovation other than discounts and promotional coupons, to this writing.

8.1.3 Level of Service Supply

There was an increase in taxi service supply with industry growth, but it was less than that in total permits owing to lower average daily utilization of taxi vehicles. The data suggest both that larger firms were not fielding all of their vehicles after open entry and that many one-cab firms were typically operated less than full-time.

Operator concentration on the airport and other prime sources of long-haul trips observed during this near term period suggests that little if any expansion of geographic coverage had taken place. Survey results documented a temporary deterioration in taxicab response times to outlying residential areas while passenger waits at busy cabstands, at the airport and in the CBD were negligible. Market segmentation indicated as the larger radioed operations cede the convenience and visitor markets to the single-cab companies in order to develop their commercial contracts and residentially-based telephone requests suggests that service to non-CBD areas may have improved somewhat.

8.1.4 Effects on Ridership

The focus on high-demand, travel-connected and long-haul oriented pick-up locations appeared to have increased visitor ridership at the expense of taxi use by San Diego residents. A slight decrease in total ridership coupled with shifts in rider characteristics toward a more affluent visitor and less transportation-dependent population and an increase in the average trip length suggest that some taxi riders were being priced out of the market or that short-haul travellers (chiefly residentially-based) were being neglected in the early rush to the airport. Only a minority of taxi riders reported themselves to be price-sensitive or admitted to comparison-shopping for taxi service, however. Some military personnel evidently shifted from exclusive or group ride taxi to jitney and taxi-based fixed-route service.

It seems unlikely that the increased taxi services are luring many riders away from transit, moreover. Although the bus was the chief alternative mode cited by both visitors and residents, the riders were not frequent bus users generally and those who said their taxi use had increased made fewer bus trips as a rule than those who used taxicabs less than previously. The total transit mode split for the region is estimated at about 2 percent and bus riders outnumber taxi riders by an estimated eight to one.

8.1.5 Taxi Service Productivity

Almost all indicators of per shift and per vehicle productivity declined somewhat industrywide between 1979 and 1980. The average level of fare revenue collected remained stable or increased, however, owing to company rate increases and the rise in the average trip length. The smaller operation types (including most of the new operators) showed higher rates of revenue generated per trip and per hour by virtue of the longer trips they booked, although they booked fewer trips, than their larger competitors. Both large and small operator types reported a renewed emphasis on the bell business--including short haul trips--in order to increase shift productivities and revenues.

8.2 TRANSFERABLE IMPLICATIONS FOR OTHER REGULATORY AGENCIES

This section interprets the effects of the regulating revisions for their transferable implications for other regulatory agencies and locales. It should be emphasized that it is not the aim of the following observations to judge the capabilities or performance of San Diego regulators. Rather, the purpose here is by "examining the political, legal, and institutional barriers encountered by local governments...and documenting how each was overcome,...(to provide) useful information and insight to other local officials who may be contemplating similar actions."* The section closes with a discussion of the non-transferable features of the San Diego case study.

*TSC, op. cit., 1981, p.150.

8.2.1 Institutional Feasibility of Taxi Regulatory Revisions

The lack of legal challenges and relatively few administrative challenges to the new Paratransit Ordinance testify to the institutional feasibility of taxi regulatory revision in San Diego, despite early industry protests of the code changes and the interjurisdictional conflicts between the city and the port over airport taxi issues. The competitive structure of the local taxi industry prior to regulatory revisions and the city's prior experience with independent owner-operators were likely principal factors in the feasibility of open entry in San Diego. The monthly permit ceilings and procedures ensuring a gradual rise in the number of permits held by any one operator likely also contributed to individual company stability despite rapid changes in overall industry size. The two-way radio dispatch capability requirement, moreover, although it may inhibit entry somewhat by increasing start-up costs, appears also to have promoted industry stability and solidarity by encouraging individual owner-operators to associate.

Although it was effective for one agency to assume command of the code revision effort, the San Diego case study also suggests that intensive inter-jurisdictional and inter-departmental coordination efforts are essential to ensure cooperation and avoid inconsistent or contradictory policy. Where there is a recent history of cooperation and coordination of effort, as between the county and the municipalities in sharing taxi regulatory functions, continued cooperation can be expected. Where there has been a disjunction of jurisdictional authority or political controversy, or where policy goals vary and the actions of one jurisdiction can be expected to impact upon another, as the city code changes affected the airport, special attention to inter-jurisdictional coordination is warranted. A schedule of workshops or appointment of special task forces and coordinators may be required to formalize the interaction process to achieve working consensus.

8.2.2 Administrative Implementation and Feasibility

The San Diego case study suggests that the absence of proven application, licensing and tracking procedures and documentation systems already in place complicated implementation of new regulatory requirements, especially because the volume of new permits was great. Staff turnover and interruption of administrative leadership also proved to be critical factors during this early phase.

Where regulatory responsibilities and record-keeping are divided among departments, moreover, it may be necessary to formalize communication mechanisms and schedules to ensure consistency of policy interpretations and the necessary information flow. The San Diego case study suggests that these networks be developed and revised if necessary prior to implementing code changes.

8.2.3 Taxi Regulatory Revision May Be a Multi-Stage Process

Although San Diego's January 1979 Paratransit Ordinance successfully achieved more comprehensive regulatory changes in a single stroke than code changes adopted in other taxi case study locales, it did not preclude subsequent code and administrative revisions. The move to variable pricing was achieved some eight months following open entry. Removal of the maximum rate and institution of customer-driver bargaining was effected 14 months later. The boundaries on allowable airport taxi rates were codified early in 1981, while a rise in liability insurance coverage limits was achieved (administratively) later that fall. The main point is that regulators should not anticipate that council and staff involvement with taxi regulation will simply cease as a result of one comprehensive set of reforms.

8.2.4 Regulation as a Means to Achieving Service Innovations

It is clear that taxi service innovations cannot emerge under a regulatory structure which prohibits or discourages them. But it is not clear from even so positive a case as San Diego appears in its other respects that a more flexible regulatory structure alone will induce the kinds of service innovations sought by regulators. The San Diego P/TA devoted a considerable effort to developing a zone matrix and fare system for shared riding in conjunction with its new code provisions. But no taxi companies to date have implemented zone-based shared ride service, despite several expressions of interest from the local industry.

Similarly, fixed-route service did not initially develop as the regulators intended, but was limited to relatively high-priced service to an uninformed and largely captive clientele over a few highly profitable routes. This kind of service has ramified over time, however, and presently includes a variety of competitively priced services over a more diversified route system. It has taken concerted operator liaison efforts to encourage this diversification.

Ongoing liaison with taxi company managers and drivers is currently under discussion at the regional planning level as essential to the development and implementation of service innovations. From the operators' point of view public assistance with marketing and consumer liaison is necessary before they can assume the risk of providing a new service.

8.2.5 Limitations on Transferability of San Diego Findings

Transferability of the findings of the San Diego case study to other localities is likely limited by several factors. First is the evident general health of the local taxi industry following the set-backs of 1976-77. A primary basis for the industry's soundness and a second important local factor is the strength of the San Diego region's expanding tourist

industry. Long sunny seasons and proximity to water-based recreation and the Mexican border attract visitors from the United States, Mexico and abroad. San Diego's attractiveness as a retirement locale also accounts for a relatively large elderly population potentially oriented to taxi travel. Moreover, the area's public transit systems are admittedly limited. These factors contribute numerous outlets for part-time taxi operation of a street and stand-hail business.

Places with low or declining visitorship, limited travel connections or recreational opportunities and limited potential for developing a cruise business in the downtown or hotel districts may not be able to anticipate such high demand for new taxi permits. Finally, the area's generally low pre-code revisions taxi medallion values were a major factor in the ease of implementing open entry. Other jurisdictions where taxi licenses are traded for considerable sums should probably anticipate significant and heated opposition to open entry proposals.

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APPENDIX A: DATA COLLECTION AND METHODOLOGY

Under the terms of their cooperative agreement with UMTA, the San Diego Paratransit Administration (P/TA) was responsible for all data collection required for the evaluation. The evaluation contractor provided technical assistance in the design of survey instruments and sampling procedures, field methods and obtaining operator cooperation.

The data collection program included sample surveys of taxi passenger characteristics, travel behavior and attitudes, passenger and taxicab activity at cabstands, and taxicab company response times to telephone requests for service. Random samples of taxicab operator trip sheets were collected as the primary source of data on taxicab operating characteristics, level of service and productivity. The evaluation also analyzed taxi license records and taxi company rate filings on a continuous basis. Figure 1-1 (in section 1.0) shows the relationship of individual data collection efforts to key events and changes in the San Diego taxi regulatory environment. Table A-1 lists the chronology of data collection activities and sample sizes obtained.

The trip sheets data, because of the larger sample sizes, have the smallest estimated errors. In general, however, the pursuit of accuracy in estimation of population parameters was subordinate to other considerations, primarily survey and data processing costs. Table A-2 summarizes the generalized confidence intervals for the various data sets. In terms of statistical reliability, findings reported in this document have generally been determined to be statistically significant at the 95 percent confidence level, unless otherwise stated.

The following sections describe the major data collection efforts, including survey methodology, sampling, and sample sizes obtained. Copies of the survey and field observation forms employed are included in this appendix.

TABLE A-1 DATA COLLECTION CHRONOLOGY

<u>Date</u>	<u>Date Collection Activity</u>	<u>Sample Size Obtained</u>
<u>Pre-Open Entry</u>		
6/76	Taxicab Response Time Survey	100 calls
11/78 (2 weeks)	First Wave On-Board Taxi Passenger Profile Survey (PPS)	673 vehicle trips 953 person trips (City only) 639 respondent Q's
<u>First year Following Open Entry</u>		
8/79 (2 weeks)	First-round Taxi Operator Trip Sheets	2014 shifts 3983 trips
10-11/79 (2 weeks)	Taxicab Response Time Survey (RTS)	275 trips
11/79 (2 weeks)	Second Wave PPS	672 vehicle trips 881 person trips 757 respondent Q's
<u>Second year Following Open Entry</u>		
8/80 (2 weeks)	Second-round Taxi Operator Trip Sheets	2358 shifts 3667 trips
8-9/80 (2 weeks)	Taxi Stand Activity ("Stand-Hail") Survey (SHS)	1480 taxis 1780 passengers
12/80	Third-wave PPS	669 vehicle trips 1035 person trips 572 respondent Q's

Taxi License Records and Company Rate Filings were monitored continuously between December 1978 (August 1979 for rates) and December 1981.

TABLE A-2 CONFIDENCE LIMITS FOR SAMPLE MEANS AND PROPORTIONS

Sample or Subsample Size	Limits at 95% Confidence		
	Means	P = .50	P = .10
4000	$\pm .031(S)$	$\pm .015$	$\pm .009$
3670	$\pm .032(S)$	$\pm .016$	$\pm .010$
2360	$\pm .040(S)$	$\pm .020$	$\pm .012$
2015	$\pm .044(S)$	$\pm .022$	$\pm .013$
1780	$\pm .046(S)$	$\pm .023$	$\pm .014$
1480	$\pm .051(S)$	$\pm .025$	$\pm .015$
1000	$\pm .062(S)$	$\pm .031$	$\pm .019$
880	$\pm .066(S)$	$\pm .033$	$\pm .020$
670	$\pm .076(S)$	$\pm .038$	$\pm .023$
570	$\pm .082(S)$	$\pm .041$	$\pm .025$
275	$\pm .118(S)$	$\pm .059$	$\pm .035$
100	$\pm .196(S)$	$\pm .098$	$\pm .059$

A.1 On-Board Taxi Passenger Profile Surveys (PPS)

On-board surveys of taxi riders were conducted in November of each of three years: 1978 (before open entry), 1979, and 1980.* The 1979 and 1980 surveys were administered solely by the City of San Diego Paratransit Agency (P/TA). The City of San Diego and San Diego Community Planning Organization (CPO, now San Diego Association of Governments, or SANDAG) cooperated in the 1978 survey. This wave included taxi companies licensed by other municipalities and the county as well as city-licensed operators.

*The 1980 survey effort carried into early December owing to difficulties in obtaining industry cooperation and in order to avoid the Thanksgiving holiday period.

A survey worker rode in the cab and recorded basic trip and rider characteristics, assisting as needed in a self-completion survey form distributed to all taxi patrons. The survey workers' form was identical each year; the riders' form was the same in the first two years of the survey. An expanded instrument was used in 1980 to obtain more information about rider perceptions of variable pricing, the recently removed fare ceiling and taxi service and regulatory effects in general. Survey workers were generally university students and work-study staff of the P/TA.

Data collected in 1978 represents the period before regulatory revision, 1979 the very near term following variable pricing and ten months after open entry and 1980 the second year after condition.

Table A-3 shows the principal sample design factors for each of the annual surveys. In 1980, not only was the questionnaire more extensive, but a more completely blocked approach with quota sampling was achieved in order to enhance the statistical reliability for certain analyses. A major effort was made to increase the number of firms participating, particularly in the 2-3 cab and single cab firm categories. Also, substantially more weekend shifts were surveyed in 1980.

TABLE A-3 PASSENGER PROFILE SURVEY DESIGN FACTORS

<u>Year</u>	<u>Dates</u>	<u>No. of Days</u>	<u>No. of Survey Workers</u>	<u>No. of Companies</u>
1978	11/01-11/18	11	16	9
1979	11/01-11/26	19	13	19
1980	11/13-11/24 12/12-12/21	22	14	46

<u>Year</u>	<u>Number of Survey shifts</u>				<u>Total</u>
	<u>Week Day</u>	<u>Week Night</u>	<u>Weekend Day</u>	<u>Weekend Night</u>	
1978-Total	53	34	11	5	103
1978-City	38	23	6	4	71
1979	37	25	5	4	67
1980	37	26	15	10	88

**SAN DIEGO REGION TAXICAB SURVEY
RESIDENT**

The taxi companies and your local government are conducting a survey to improve the quality of taxi service in the San Diego Region. Please complete this questionnaire to help us provide you with better service.

Thank You.

<p>1 2</p>																																						
<p>7</p>	<p>1. What is the zip code of your residence? _____</p>	<p>8. Not counting other taxi trips made today, how long is it since you last made a trip by taxi in the San Diego region? _____ days _____ weeks _____ months (number) (circle one)</p>																																				
<p>12</p>	<p>2. How long have you lived in the San Diego region? _____ months _____ years (number) (circle one)</p>	<p>9. LAST MONTH, how many ONE-WAY taxi trips did you make in the San Diego region? _____ one-way taxi trips (number)</p>																																				
<p>15 17</p>	<p>3. Please indicate where you are COMING FROM and where you are GOING TO on this trip. (CHECK ONE IN EACH COLUMN)</p> <table border="0"> <tr> <td></td> <td align="center">COMING FROM</td> <td align="center">GOING TO</td> </tr> <tr> <td>Home</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Your place of work</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Military base</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>School</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Shopping</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Medical</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Work-related trip or appointment</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Personal business (library, church)</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Recreational or social activity</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Travel (out of town, personal or business)</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Other (SPECIFY) _____</td> <td></td> <td></td> </tr> </table>		COMING FROM	GOING TO	Home	<input type="radio"/>	<input type="radio"/>	Your place of work	<input type="radio"/>	<input type="radio"/>	Military base	<input type="radio"/>	<input type="radio"/>	School	<input type="radio"/>	<input type="radio"/>	Shopping	<input type="radio"/>	<input type="radio"/>	Medical	<input type="radio"/>	<input type="radio"/>	Work-related trip or appointment	<input type="radio"/>	<input type="radio"/>	Personal business (library, church)	<input type="radio"/>	<input type="radio"/>	Recreational or social activity	<input type="radio"/>	<input type="radio"/>	Travel (out of town, personal or business)	<input type="radio"/>	<input type="radio"/>	Other (SPECIFY) _____			<p>10. How does this compare with your usage of taxis A YEAR AGO? <input type="radio"/> Higher, by about _____ taxi trips per month <input type="radio"/> Lower, by about _____ taxi trips per month <input type="radio"/> About the same <input type="radio"/> I don't recall</p> <p>11. If your usage of taxis has increased or decreased during the past year, please explain why. _____</p>
	COMING FROM	GOING TO																																				
Home	<input type="radio"/>	<input type="radio"/>																																				
Your place of work	<input type="radio"/>	<input type="radio"/>																																				
Military base	<input type="radio"/>	<input type="radio"/>																																				
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Travel (out of town, personal or business)	<input type="radio"/>	<input type="radio"/>																																				
Other (SPECIFY) _____																																						
<p>21</p>	<p>4a. Why did you choose to make this trip by taxi? (CHECK AS MANY AS APPLY)</p> <p><input type="radio"/> Only form of transportation available <input type="radio"/> Unfamiliar with area <input type="radio"/> Package(s) or luggage to carry <input type="radio"/> Not feeling well <input type="radio"/> Convenience <input type="radio"/> Saves time <input type="radio"/> Saves money <input type="radio"/> Safety <input type="radio"/> Someone else is paying for this trip <input type="radio"/> Other (SPECIFY) _____ <input type="radio"/> No particular reason</p>	<p>12. Last month, how many one-way BUS trips did you make in the San Diego region? <input type="radio"/> One or less <input type="radio"/> 2 to 5 <input type="radio"/> 6 to 10 <input type="radio"/> More than 10</p> <p>13. Overall, how do you rate the taxi service in the San Diego region? <input type="radio"/> Excellent <input type="radio"/> Good <input type="radio"/> Average <input type="radio"/> Poor</p>																																				
<p>23</p>	<p>4b. Please circle which of the above was the MAJOR reason you chose a taxi for this trip.</p>	<p>14. In the PAST YEAR OR SO, do you think taxi service in the area has gotten better, gotten worse, or stayed the same? <input type="radio"/> Better <input type="radio"/> Worse <input type="radio"/> Same <input type="radio"/> Don't know</p>																																				
<p>25</p>	<p>5. If you had NOT used a taxi for this trip, what alternative would you have chosen? <input type="radio"/> Private automobile, as driver <input type="radio"/> Private automobile, as passenger <input type="radio"/> Rental car <input type="radio"/> Airport jitney <input type="radio"/> Courtesy car <input type="radio"/> Social service agency vehicle <input type="radio"/> Bus <input type="radio"/> Walking <input type="radio"/> Not make trip <input type="radio"/> Other (SPECIFY) _____</p>	<p>15. In particular, have you noticed any changes in the following?</p> <table border="0"> <tr> <td></td> <td align="center">Better</td> <td align="center">Worse</td> <td align="center">Same</td> <td align="center">Don't know</td> </tr> <tr> <td>Taxi availability during the day</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Taxi availability at night</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Taxi vehicle condition</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Driver courtesy</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> <tr> <td>Promptness of service</td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> <td align="center"><input type="radio"/></td> </tr> </table>		Better	Worse	Same	Don't know	Taxi availability during the day	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Taxi availability at night	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Taxi vehicle condition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Driver courtesy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Promptness of service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>						
	Better	Worse	Same	Don't know																																		
Taxi availability during the day	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																																		
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Promptness of service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																																		
<p>26</p>	<p>6. How long did you wait for the cab to arrive? _____ minutes (number)</p>	<p>16. Is there a particular taxi company you use more than others? <input type="radio"/> No <input type="radio"/> Yes If yes, what is the name of this company? _____</p>																																				
<p>27</p>	<p>7. Have you made or do you plan to make any other TAXI trips TODAY? <input type="radio"/> No <input type="radio"/> Yes If yes, how many? _____ other taxi trips (number)</p>	<p>17. _____</p>																																				

OVER

<p>75 <input type="checkbox"/></p> <p>76 <input type="checkbox"/> 80 <input type="checkbox"/></p>			
<p>59 <input type="checkbox"/></p>	<p>17. What is the major reason you use this company the most?</p> <ul style="list-style-type: none"> <input type="radio"/> Lowest rates <input type="radio"/> This company services my area <input type="radio"/> Fastest response time <input type="radio"/> Cleanest, best maintained vehicles <input type="radio"/> I am most familiar with this company <input type="radio"/> Other (SPECIFY) _____ <input type="radio"/> No particular reason 	<p>22. Which of the following best applies to you? (CHECK ONE)</p> <ul style="list-style-type: none"> <input type="radio"/> Employed full time <input type="radio"/> Employed part time <input type="radio"/> Student <input type="radio"/> Unemployed <input type="radio"/> Retired <input type="radio"/> Homemaker <input type="radio"/> Member of the armed forces <input type="radio"/> Other (SPECIFY) _____ 	<p>13 <input type="checkbox"/></p>
<p>61 <input type="checkbox"/></p> <p>62 <input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p>67 <input type="checkbox"/></p>	<p>18. Did you know that different taxi companies in the San Diego region charge different rates?</p> <ul style="list-style-type: none"> <input type="radio"/> No <input type="radio"/> Yes <p>If yes, how did you find out about this? (Check ALL that apply)</p> <ul style="list-style-type: none"> <input type="radio"/> Newspaper <input type="radio"/> Signs at airport <input type="radio"/> Rates are shown on taxi doors <input type="radio"/> Taxi company advertisements <input type="radio"/> Someone told me <input type="radio"/> Other (SPECIFY) _____ 	<p>23. Do you have any physical disabilities which make it difficult for you to drive or ride a bus?</p> <ul style="list-style-type: none"> <input type="radio"/> No <input type="radio"/> Yes 	<p>17 <input type="checkbox"/></p>
<p>68 <input type="checkbox"/></p> <p>69 <input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p>74 <input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p>76 <input type="checkbox"/></p>	<p>19a. Do you try to comparison-shop when you take a taxi?</p> <ul style="list-style-type: none"> <input type="radio"/> No (PLEASE ANSWER QUESTION 19b) <input type="radio"/> Yes <p>If yes, how do you comparison-shop? (Check ALL that apply)</p> <ul style="list-style-type: none"> <input type="radio"/> Call different companies to ask rates <input type="radio"/> Read the rates on the door of the taxi <input type="radio"/> Ask different drivers what the trip will cost <input type="radio"/> Bargain with the driver for a lower fare <input type="radio"/> Choose the nicest-looking vehicle <input type="radio"/> Other (SPECIFY) _____ <p>19b. If you don't comparison-shop for taxis, why is that? (Check ALL that apply)</p> <ul style="list-style-type: none"> <input type="radio"/> All taxis charge about the same <input type="radio"/> Price doesn't matter that much to me <input type="radio"/> I wouldn't know how to find cheaper cabs <input type="radio"/> I use taxis so seldom it doesn't add up to much <input type="radio"/> Other (SPECIFY) _____ <input type="radio"/> No particular reason 	<p>24. Do you have a driver's license?</p> <ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No 	<p>18 <input type="checkbox"/></p>
<p>77 <input type="checkbox"/></p> <p>78 <input type="checkbox"/></p> <p>79 <input type="checkbox"/></p> <p>80 <input type="checkbox"/></p> <p>81 <input type="checkbox"/></p> <p>82 <input type="checkbox"/></p> <p>83 <input type="checkbox"/></p> <p>84 <input type="checkbox"/></p> <p>85 <input type="checkbox"/></p> <p>86 <input type="checkbox"/></p>	<p>20. Please indicate the THREE most important factors which make for good taxi service, in your opinion. NUMBER them in order of their importance to you.</p> <ul style="list-style-type: none"> <input type="radio"/> Easy to find on street <input type="radio"/> Prompt response to call <input type="radio"/> A new, luxury vehicle <input type="radio"/> Driver assistance with packages and luggage <input type="radio"/> Driver assistance getting in and out of vehicle <input type="radio"/> A safe driver <input type="radio"/> A clean, well-maintained vehicle <input type="radio"/> Low rates <input type="radio"/> 24-hour service <input type="radio"/> Other (SPECIFY) _____ 	<p>25. How many vehicles in operating condition do you have in your household?</p> <p>_____ vehicles (number)</p>	<p>19 <input type="checkbox"/></p>
<p>87 <input type="checkbox"/></p>	<p>21. What is your age?</p> <p>_____ years</p>	<p>26. How many licensed drivers are there in your household, INCLUDING YOURSELF?</p> <p>_____ licensed drivers (number)</p>	<p>20 <input type="checkbox"/></p>
		<p>27. What is the combined income of ALL of the members of your household?</p> <ul style="list-style-type: none"> <input type="radio"/> \$5000 or less <input type="radio"/> \$5001 - \$7000 <input type="radio"/> \$7001 - \$10,000 <input type="radio"/> \$10,001 - \$15,000 <input type="radio"/> \$15,001 - \$25,000 <input type="radio"/> More than \$25,000 	<p>21 <input type="checkbox"/></p>

THANK YOU

SAN DIEGO REGION TAXICAB SURVEY VISITOR

The taxi companies and your local government are conducting a survey to improve the quality of taxi service in the San Diego Region. Please complete this questionnaire to help us provide you with better service.
Thank You.

1 <input type="text"/>																																			
2 <input type="text"/>	1. What city are you from? _____	7. If you had NOT used a taxi for this trip, what alternative would you have chosen? <input type="radio"/> Private automobile, as driver <input type="radio"/> Private automobile, as passenger <input type="radio"/> Rental car <input type="radio"/> Company car <input type="radio"/> Airport jitney <input type="radio"/> Courtesy car <input type="radio"/> Social service agency vehicle <input type="radio"/> Bus <input type="radio"/> Walking <input type="radio"/> Not make trip <input type="radio"/> Other (SPECIFY) _____																																	
3 <input type="text"/>	2. What is the MAIN purpose of your stay in the San Diego region? (CHECK ONE) <input type="radio"/> Business <input type="radio"/> Convention <input type="radio"/> Military <input type="radio"/> Vacation <input type="radio"/> Visit friends or relatives <input type="radio"/> Family emergency <input type="radio"/> Medical <input type="radio"/> Escort someone <input type="radio"/> Other (SPECIFY) _____	8. How long did you wait for this cab to arrive? _____ minutes (number)																																	
4 <input type="text"/>	3. How long is your stay here? _____ days _____ weeks _____ months (number) (circle one)	9. Have you made or do you plan to make any other TAXI trips in the San Diego region TODAY? <input type="radio"/> No <input type="radio"/> Yes If yes, how many? _____ other taxi trips (number)																																	
5 <input type="text"/>	4. Where are you staying while in the San Diego region? (CHECK ONE) <input type="radio"/> Hotel or motel <input type="radio"/> Friend's house <input type="radio"/> Relative's house <input type="radio"/> Military base <input type="radio"/> Company lodging <input type="radio"/> Other (SPECIFY) _____	10. LAST MONTH, how many ONE WAY taxi trips did you make? (Count ALL your taxi trips, both in and out of your home town.) _____ one-way taxi trips (number)																																	
6 <input type="text"/>	5. Please indicate where you are COMING FROM and where you are GOING TO on THIS trip. (CHECK ONE IN EACH COLUMN)	11. Overall, how do you rate the taxi service in the San Diego region? <input type="radio"/> Excellent <input type="radio"/> Good <input type="radio"/> Average <input type="radio"/> Poor																																	
7 <input type="text"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">COMING FROM</th> <th style="width: 15%; text-align: center;">GOING TO</th> </tr> </thead> <tbody> <tr><td>Accommodations</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Military base</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Work</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>School</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Shopping</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Medical</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Personal business (library, church)</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Recreational or social activity</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Travel (out of San Diego, personal or business)</td><td style="text-align: center;"><input type="radio"/></td><td style="text-align: center;"><input type="radio"/></td></tr> <tr><td>Other (SPECIFY) _____</td><td></td><td></td></tr> </tbody> </table>		COMING FROM	GOING TO	Accommodations	<input type="radio"/>	<input type="radio"/>	Military base	<input type="radio"/>	<input type="radio"/>	Work	<input type="radio"/>	<input type="radio"/>	School	<input type="radio"/>	<input type="radio"/>	Shopping	<input type="radio"/>	<input type="radio"/>	Medical	<input type="radio"/>	<input type="radio"/>	Personal business (library, church)	<input type="radio"/>	<input type="radio"/>	Recreational or social activity	<input type="radio"/>	<input type="radio"/>	Travel (out of San Diego, personal or business)	<input type="radio"/>	<input type="radio"/>	Other (SPECIFY) _____			12. Did you know that different taxi companies in the San Diego region charge different rates? <input type="radio"/> No <input type="radio"/> Yes If yes, how did you find out about this? (Check ALL that apply) <input type="radio"/> Newspaper <input type="radio"/> Signs at airport <input type="radio"/> Rates are shown on taxi doors <input type="radio"/> Taxi company advertisements <input type="radio"/> Someone told me <input type="radio"/> Other (SPECIFY) _____
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Recreational or social activity	<input type="radio"/>	<input type="radio"/>																																	
Travel (out of San Diego, personal or business)	<input type="radio"/>	<input type="radio"/>																																	
Other (SPECIFY) _____																																			
8 <input type="text"/>	6a. Why did you choose to make this trip by taxi? (CHECK AS MANY AS APPLY) <input type="radio"/> Only form of transportation available <input type="radio"/> Unfamiliar with area <input type="radio"/> Package(s) or luggage to carry <input type="radio"/> Not feeling well <input type="radio"/> Convenience <input type="radio"/> Saves time <input type="radio"/> Saves money <input type="radio"/> Safety <input type="radio"/> Someone else is paying for this trip <input type="radio"/> Other (SPECIFY) _____ <input type="radio"/> No particular reason	13. Did you try to comparison-shop for the taxi trip you are now making? <input type="radio"/> No (PLEASE ANSWER QUESTION 13b) <input type="radio"/> Yes If yes, how did you comparison-shop? (Check ALL that apply) <input type="radio"/> Called different companies to ask rates <input type="radio"/> Read the rates on the door of the taxi <input type="radio"/> Asked different drivers what the trip would cost <input type="radio"/> Bargained with the driver for a lower fare <input type="radio"/> Chose the nicest-looking vehicle <input type="radio"/> Other (SPECIFY) _____																																	
9 <input type="text"/>	6b. Please circle which of the above was the MAJOR reason you chose a taxi for this trip.																																		

Table A-4 summarizes the trip samples contained in the three analysis files developed with the data for each year: vehicle trips, total person trips (respondents and non-respondents) and passenger profile responses (respondents only). A completely random sample was not practical owing to differences in cooperation among operator types; however, operator and shift selection for the survey was done with care to avoid bias, particularly in the 1980 survey. Companies and drivers were randomly selected within assignment blocks generally proportionate to the known geographic and temporal distribution of taxi service. The set of cases obtained (weighted to the industry proportions of all company types) approximates a representative sample of the San Diego taxi industry. Standard statistical tests of significance and confidence limits were applied using the assumptions of normal population distributions and random sampling (equal probability of selection).

TABLE A-4 PPS SAMPLE SIZES AND COMPLETION RATES

<u>Analysis File</u>	<u>Sample Sizes - Number of Cases</u>			
	<u>1978</u> Total	<u>1978</u> City only	<u>1979</u>	<u>1980</u> (Unweighted)
A. Vehicle Trips	1062	673	672	669
B. Person Trips	1423	953	881	1035
C. Passenger Profile Responses	985	639	757	572
● Resident	715	431	417	281
● Visitor	270	208	338	291
D. Completion Rate (C/B)	69%	67%	86%	55%
E. Productivity per shift				
● Vehicle Trips	10.3	9.5	10.2*	7.6*
● Person Trips	13.8	13.4	13.1*	11.76*

*These productivity indications are considerably lower than those produced by the 1979 and 1980 trip sheet samples. Possible explanations include seasonal variation in productivity - the trip sheets were collected during the summer - and possible bias resulting from: 1) passenger refusal to take trip due to presence of survey workers; 2) survey administration impeded normal vehicle operation; and 3) less productive drivers volunteered for the PPS. The latter hypothesis is supported by the generally lower productivities achieved by employee drivers, whose cooperation with the survey was easily required by company management, as opposed to lease drivers and owner-operators, whose cooperation was voluntary.

Two general adjustments to the data were made as part of the analysis. In 1978 taxis licensed to operate in the county but not in the city were excluded for better comparability with 1979 and 1980, when the City of San Diego conducted the survey alone and only included city-licensed operators (although some were dual-permitted). In 1980, trips were weighted in inverse proportion to the effective rate of sampling for each company size category according to the following scheme:

<u>Company Type</u>	<u>Sampling Rate</u>	<u>% of Total City Licenses</u>	<u>Weight</u>
Yellow	34%	61%	6.19
4+ Cabs	21	22	3.78
2-3 Cabs	18	5	1.00
Single Cab	<u>27</u>	<u>12</u>	<u>1.35</u>
Total (Avg.)	100%	100%	(3.46)

In addition, the 1980 survey instrument queried riders on their total number of taxi trips made on the day of survey. Since the PPS is essentially a sample of daily trips, this information allowed for adjustment to the data to account for differing probability of selection resulting from different taxi use frequencies among riders. The resulting sample (weighted by the inverse of taxi trip frequency) better represents daily riders, i.e., the population of people that make at least one taxi trip on an average day.

Table A-5 shows the estimated mean taxicab trips for each of those analysis groups after these weightings have been applied.

TABLE A-5 TAXICAB USER ANALYSIS GROUPS - 1980

<u>Group</u>	<u>Taxi Requency Report - Mean</u>	
	<u>Per Day</u>	<u>Per Month</u>
1. Tripmakers	1.57	5.41
2. Daily ridership	1.25	4.60
3. User Population	1.64	.58

1. Unweighted Sample (persons associated with trips).
2. Weighted by inverse of number of trips made day of survey.
3. Weighted by inverse of trips made last month ("none" assumed to equal .5 trips to avoid division by zero).

Use of the weighted or non-weighted results was determined according to which population was of interest, average daily or monthly ridership or the universe of San Diego taxi trip-makers, including both frequent and infrequent taxi users.

Because riders' daily taxi trip frequency was not obtained in 1978 and 1979, moreover, in order to maintain cross-year comparability, the longitudinal analysis of all three data sets has been with no frequency-related adjustments. The differences between this unweighted approach to the interpretation of the surveys and a weighted approach are relatively small and restricted to data about rider characteristics and attitudes.

Table A-6 compares principal household and individual characteristics among the three analysis groups. It shows that weighting for probability of selection reduces the apparent level of transportation dependency in the taxicab user groups since the more affluent use cabs less frequently than poorer riders as a group.

TABLE A-6 COMPARATIVE TAXI USER CHARACTERISTICS 1980

<u>Vehicles in Household</u>	<u>Percent of Total</u>		
	Group 1	Group 2	Group 3
0	42%	31%	22%
1	29	31	32
2	12	18	25
3	11	11	11
4+	<u>6</u>	<u>9</u>	<u>10</u>
	100%	100%	100%

<u>Income Group</u>	<u>Percent of Total</u>		
	Group 1	Group 2	Group 3
\$0-10K	40%	36%	34%
10-25K	26	27	27
25K+	<u>34</u>	<u>37</u>	<u>39</u>
	100%	100%	100%

Greater stability between groups is indicated for behavioral data. Table A-7 shows that the difference in mode choice and change-in-cab-use-from-past-year data are relatively small.

TABLE A-7 COMPARATIVE TAXI USER BEHAVIOR MEASURES 1980

Reason Chose Cab for Trip	Percent of Total		
	Group 1	Group 2	Group 3
No Alternative	34%	30%	32%
Unfamiliar	6	6	10
Convenience	26	30	28
Saves Time	15	15	14
All Other	<u>19</u>	<u>19</u>	<u>16</u>
Total	100%	100%	100%

Change in Cab Use: 1979-1980	Percent of Total		
	Group 1	Group 2	Group 3
More Now	22%	29%	23%
Less Now	9	9	7
Same	50	45	46
Don't Know	<u>19</u>	<u>18</u>	<u>24</u>
Total	100%	100%	100%

A.2 TAXI OPERATOR TRIP SHEETS

Shifts

The San Diego Paratransit Ordinance requires that taxi companies maintain trip sheets and that these sheets be made available to the city on request. On the basis of this requirement, all local companies were requested to submit their trip sheets for the months of August 1979 and 1980 for use in the evaluation.

A random sample of trip sheets was selected stratified by company group. Company group assignment was made primarily on the basis of size

(number of permits) and later refined to distinguish all member affiliates of the two taxicab associations as additional groups.

The blocking extended to day type as well, in order to ensure adequate numbers of weekday and weekend shifts within company groups. The first and third weeks of the month were targetted, and these dates identified for shift selection. Two extra Fridays were included to provide for comparisons between Fridays--reportedly the highest demand day--and between Fridays and other days.

Because of the large size of the Yellow Cab fleet, (blocked as a separate stratum unto itself) and the other fleet operations, a sub-set of these company groups' sheets was selected using a random sample of vehicle ID numbers within companies and selecting all of the designated dates available for these vehicles. The number of vehicles required in each company was based upon average vehicle utilization rates within companies calculated from a preliminary analysis of all trip sheets. The sample included all of the shifts submitted for the selected dates from the two-three cab mini-fleets and one-cab firms. (The inclusion of shifts for each of these operations provided for adequate samples of both affiliated and unaffiliated small companies.)

The shift samples were later weighted according to the inverse of the sampling rate within company groups. (Additional weighting was applied to reduce the effect of the extra Fridays within certain company data.) The unweighted sample sizes and weights by company groups are presented in Tables A-8 and A-9.

Trips

The trip sheet trip sample was comprised as a random sub-sample of selected shifts, including all trips recorded on the selected shifts for all of the company and day types represented in the shift sample. Variable sampling rates were applied according to estimated trip production

TABLE A-8 TRIP SHEET SHIFT SAMPLE DESIGN FACTORS, SAMPLE SIZES AND WEIGHTINGS: 1979

	No. Permits Held	No. of Vehicles Selected	Sampling Rate of Vehicles	Shifts		Weight (1 : Sampling Rate of Vehicles)
				Weekdays	Fridays Weekends	
YELLOW (Major Fleet)	280	39	0.139	378	400 147	7.18
CO-OP (Larger Assoc.)	40	23	0.575	130	43 71	1.74
ICOA (Smaller Assoc.)	13	9	0.692	55	16 21	1.44
OTHER FLEETS (4-30 cabs)	87	29	0.333	286	141 116	3.00
MINI-FLEETS* (2-3 cabs)	7	4	0.571	4	2 2	1.75
ONE-CAB COMPANIES *	36	29	0.806	236	61 111	1.24
TOTAL	463	133	0.287	1089	463 468	3.48

* Not affiliated with associations.

TABLE A-9 TRIP SHEET SHIFT SAMPLE DESIGN FACTORS, SAMPLE SIZES AND WEIGHTINGS: 1980

	No. Permits Held	No. of Vehicles Selected	Sampling Rate of Vehicles	Shifts		Weight (1 : Sampling Rate of Vehicles)
				Weekdays	Fridays	
YELLOW (Major Fleet)	281	39	0.139	462	204	7.21
CO-OP (Larger Assoc.)	80	47	0.588	310	102	1.70
ICOA (Smaller Assoc.)	22	12	0.546	84	27	1.83
OTHER FLEETS (4-30 cabs)	122	37	0.303	427	144	3.30
MINI-FLEETS* (2-3 cabs)	18	9	0.50	88	27	2.00
ONE-CAB COMPANIES*	77	44	0.571	241	70	1.75
TOTAL	600	188	0.313	1612	574	3.19

* Not affiliated with associations.

within company types. A randomized skip interval was employed to avoid bias against low-yield companies as well as to provide for inclusion of contiguous shifts. A sample size of 3,600 trips was targetted to provide for a minimum of 35 trips in any cross tabulation of aggregated geo-zones (10 by 10 zones).

The individual trips were weighted according to the inverse of the sampling rate of shifts selected within company groups. Identical day-type factors were applied as those utilized in the shift samples to account for the higher probability of selection of Fridays (see Tables A-10 and A-11).

A.3 TAXI STAND ACTIVITY SURVEY (STAND HAIL SURVEY OR SHS)

The survey of taxicab and passenger activity at city cabstands was conducted in August-September of 1980. Its purpose was to monitor stand use by local taxi companies, to estimate taxi and passenger wait times and generally to assess the relationship of supply to demand at these locations. In order to limit survey costs, only stands with relatively high usage by taxicabs and passengers--as identified by local taxi operators--were included. Survey shifts ran from 11 AM to 3 PM and 4 to 8:30 PM; each stand was observed for two shifts each of one midweek and one weekend day. In order to provide for comparison between days, observations were also collected every day of one week at the Greyhound Station stand (one which was reportedly used by all companies). Table A-12 presents the various sample design factors for each of the cabstand locations and summarizes the samples obtained.

Information recorded included number of passengers in group, passenger arrival and departure times, departure mode, cab company name, cab ID number, cruise-by, arrival and departure times, and number of passengers in taxicab on departure. Wait times of cabs already in the queues at the start of a survey shift or remaining after it ended were separately estimated. Conventions were established for surveyors to record cabs

TABLE A-10 TRIP SHEET TRIP SAMPLE SIZES AND WEIGHTS: 1979

	Sampling Frame (Average Weekly Shifts)*			Number of Shifts Selected For Trip Coding			Unweighted Sample Sizes - Trips			Weights (1 : Sampling Rate Within Day Type)		
	WD	FRI	WE	WD	FRI	WE	WD	FRI	WE	WD	FRI	WE
YELLOW	1357	359	527	48	25	14	538	277	146	28.27	14.36	37.64
CO-OP	120	37	65	42	20	21	435	270	256	2.86	1.85	2.86
ICOA	34	10	12	6	5	6	77	46	71	5.67	2.00	2.00
OTHER FLEETS	444	110	177	58	18	12	646	240	134	7.66	6.11	14.75
MINI- FLEETS**	22	5	8	21	9	7	170	80	111	1.05	0.56	1.14
ONE-CAB COMPANIES**	128	33	63	21	8	9	220	110	102	6.10	4.13	7.00
TOTAL	2103	555	853	196	85	69	2107	1035	841	10.73	6.53	12.36

* Based upon weighted shift sample
 ** Not affiliated with associations

TABLE A-11 TRIP SHEET TRIP SAMPLE SIZES AND WEIGHTS: 1980

	Sampling Frame (Average Weekly Shifts)*		Number of Shifts Selected For Trip Coding				Unweighted Sample Sizes - Trips			Weights (1 : Sampling Rate Within Day Type)		
	WD	FRI	WE	WD	FRI	WE	WD	FRI	WE	WD	FRI	WE
YELLOW	1129	368	498	33	20	19	363	270	320***	34.21	18.40	SAT 19.44*** SUN 26.21
CO-OP	236	70	106	34	13	19	298	159	246	6.94	5.38	5.58
ICOA	64	20	28	13	6	4	109	34	56	4.92	3.33	7.00
OTHER FLEETS	483	119	254	37	24	21	423	301	290	13.05	4.96	12.10
MINI- FLEETS**	68	22	30	22	7	12	203	87	144	3.09	3.14	2.50
ONE-CAB COMPANIES**	196	59	97	22	11	8	162	125	66	8.91	5.36	12.13
TOTAL	2176	656	1011	161	81	83	1569	976	1122	13.52	8.10	12.18

* Based upon weighted shift sample
 ** Not affiliated with associations
 *** The Yellow trip sample included a disproportionate number of Saturdays which
 were adjusted downward

TABLE A-12 STAND HAIL SURVEY DESIGN FACTORS AND SAMPLE SIZES OBTAINED

Cab Stand Location	Approximate Capacity (Vehicle Spaces)*	No. of Shifts**	Number of Taxi Vehicle Arrivals by Company Type			No. of Passenger Arrivals		
			Yellow Fleets	Mini-Fleets	One-Cab Firms Total			
Horton Plaza (Downtown)	1-4***	4	20	13	2	6	41	22
Greyhound Station (Downtown)	3-10	14	65	146	26	152	389	259
Amtrak Station (Downtown)	6	4	39	42	8	39	128	145
Naval Training Center	3	4	33	46	23	35	137	152
32nd Street Naval Station	1-9	4	88	16	1	2	107	99
Lindbergh Field (SDI) West Terminal	8+12	4	27	71	32	111	241	325
Lindbergh Field (SDI) East Terminal	20+12	4	59	96	42	168	365	485
International Border	1-4	4	15	40	2	15	72	63
Sample of Cases			346	470	136	528	1,480	1,744

*Capacities stated include adjacent parking and loading areas local taxi operators reported the industry habitually uses at these stands; all spaces were observed for the survey.

**All stands were observed for a minimum of two shifts each on one weekday and one weekend day.

***Three designated stands in immediate vicinity.

leaving empty but evidently dispatched from the stands on call, as well as incidents such as fare refusals, comparison-shopping and altercations between drivers or drivers and passengers. The reliability of these observations is dubious, however, owing to the surveyor subjectivity required. A copy of the survey form is included with this appendix.

A.4 TAXICAB RESPONSE TIME (TELEPHONE REQUEST) SURVEY (RTS)

Prior to the evaluation, a periodic survey of taxi company response times to telephone requests had been performed by the SDPD. A 1976 survey was performed by the Traffic Division; police officers made 100 calls from selected locations around the city. Companies were called in proportion to their shares of all city taxi licenses, but not all companies were called in all surveys. The survey was vulnerable to disclosure because the officers would not actually take trips, but merely pay the flag drop and dismiss the taxi on its arrival at the designated pick-up point.

Responsibility for the 1979 RTS was assumed by the P/TA as part of its general data collection effort for the evaluation of taxi regulatory revisions. The P/TA attempted to improve on the traditional approach by hiring non-PD survey workers to take and pay for actual taxi trips.

The survey was conducted over two weeks using 6 surveyors for approximately 4 shifts per day: 6 AM to 11 AM; 11 AM to 4 PM; 4 PM to 9 PM; and 9 PM to 2 AM; each shift included from 5 to 8 trips.

Only radio-dispatched companies and membership affiliations were included in the survey. Three fleets judged to operate in too limited an area to warrant inclusion were omitted. The survey thus included six fleet operations and both associations of independent owner-drivers. The frequency of calls to any one taxi operator was based upon that operator's share of total cabs. A total of 275 calls were made, distributed as shown in Table A-13.

TABLE A-13 DISTRIBUTION OF RESPONSE TIME SURVEY CALLS BY GEO-ZONE AND COMPANY GROUP

Time Period	No. Claire-		So. Claire-		Ocean		Mission		Del		Total
	Rancho Bernardo -Pensacota quitos	mont-Sorrento Valley	La Jolla-Mission Beach	mont-Lay Park	Beach-Islands	Hills-Hotal Circles	East S.D.-Chollas ville	Cerro Grant-Encanto	South-East S.D. Ysidro	San Border	
Weekday:											
Day	5	10	11	12	11	11	11	11	11	4	97
Night	5	8	11	14	10	10	15	11	8	-	92
Weekend:											
Day	-	4	5	6	5	5	5	4	5	-	39
Night	-	3	6	7	6	6	7	6	6	-	47
Company Group											
Yellow	4	13	17	17	19	16	21	20	21	2	150
Other Fleet	3	6	9	1	4	9	3	-	8	2	45
CO-OP	2	4	4	13	8	6	7	12	1	-	57
ICOA	1	2	3	8	1	1	7	-	-	-	23
Total	10	25	33	39	32	32	38	32	30	4	275

The Paratransit Office's Project Coordinator worked out itineraries of 5 to 8 trips between designated start and end points. These itineraries attempted to achieve an even distribution of trips over geographic areas aggregated from regional traffic analysis zones (TAZ's). The same itinerary was followed for each of the four shifts for one midweek and one weekend day. The surveyor would call the designated company, monitor cab arrival (response time, no show, refusal), take the cab to the first intermediate destination point, call another and so on. In addition to the call and arrival times, the surveyor recorded the trip fare and rated cab maintenance, driver appearance and driver courtesy. See facsimile field recording form included in this appendix.

Trips were designed to be long enough to avoid discovery, but short enough to minimize expenses. The average trip length was about 2.5 miles and cost \$3.20; surveyors paid for their trips with cash. It should be emphasized that the limitation on trip length likely incorporates some bias toward fare refusals

APPENDIX B: SUPPORTING DOCUMENTATION

TABLE B-1 MEAN RATE SEGMENTS FILED BY COMPANY TYPE BY QUARTER: JULY 1979 - DECEMBER 1981
CITY OF SAN DIEGO EXCLUSIVE RIDE SERVICE

	Pre-Revisions												Change Since In-Set of Variable Pricing	
	Standard Rate Segments	July-Sept 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	July-Sept 1980	Oct-Dec 1980	Jan-Mar 1981	Apr-Jun 1981	July-Sept 1981	Oct-Dec 1981			
Flag Drop Charges:														
Yellow Cab (Large Fleet)	1.10	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	0
CO-OP (Assoc)	1.10	1.10	1.11	1.11	1.12	1.11	1.11	1.15	1.14	1.15	1.16	1.16	1.16	+5%
Other Fleets (4-32 Cabs)	1.10	1.11	1.11	1.15	1.15	1.21	1.21	1.59	1.21	1.19	1.20	1.20	1.20	+8%
Mini-Fleets (2-3 Cabs)	1.10	1.04	1.14	1.12	1.14	1.19	1.18	1.24	1.28	1.28	1.28	1.28	1.28	+23%
One-Cab Firms	1.10	1.10	1.10	1.15	1.16	1.17	1.18	1.23	1.23	1.24	1.35	1.35	1.35	+23%
Industry Average Flag Drop	1.10	1.10	1.11	1.13	1.15	1.16	1.17	1.26	1.22	1.23	1.29	1.29	1.29	+17%
% Change Per Quarter	0	0	+0.9%	+2%	+2%	+0.9%	+0.9%	+8%	-3%	+0.8%	+5%	+5%	+5%	
Mileage Charges:														
Yellow Cab	0.70	0.80	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20	1.20	+50%
CO-OP	0.70	0.95	1.00	0.98	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.03	+8%
Other Fleets	0.70	0.91	0.93	1.04	1.08	1.12	1.12	1.15	1.16	1.17	1.24	1.24	1.24	+36%
Mini-Fleets	0.70	1.00	1.08	1.08	1.09	1.11	1.11	1.19	1.25	1.26	1.24	1.24	1.24	+24%
One-Cab Firms	0.70	0.95	1.01	1.07	1.09	1.13	1.17	1.18	1.19	1.21	1.30	1.30	1.30	+37%
Industry Average Mile Charge	0.70	0.95	1.01	1.04	1.06	1.09	1.11	1.14	1.16	1.21	1.24	1.24	1.24	+31%
% Change Per Quarter		+36%	+6%	+3%	+2%	+3%	+2%	+3%	+2%	+2%	+5%	+5%	+5%	
Wait Time Charges:														
Yellow Cab	7.20	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	1
CO-OP	7.20	9.14	9.17	9.18	9.17	9.19	9.19	9.22	9.21	9.20	9.23	9.23	9.23	+1%
Other Fleets	7.20	9.00	9.00	9.08	9.07	9.18	9.53	10.00	9.33	9.43	9.56	9.56	9.56	+1%
Mini-Fleets	7.20	9.00	9.22	9.20	9.22	9.26	9.29	9.35	9.97	9.95	9.98	9.98	9.98	+6%
One-Cab Firms	7.20	9.20	9.18	9.19	9.20	9.20	9.22	9.30	9.38	9.40	9.77	9.77	9.77	+11%
Industry Average Wait Charge	7.20	9.14	9.16	9.17	9.18	9.20	9.26	9.36	9.46	9.48	9.69	9.69	9.69	+6%
% Change Per Quarter		+27%	+0.2%	+0.1%	+0.1%	+0.2%	+0.7%	+1%	+0.9%	+0.2%	+2%	+2%	+2%	+6%
Number of Firms*		72	99	117	132	140	156	171	182	185	210	210	210	

*i.e., for which rate data exist

TABLE B-2 MEAN RATE SEGMENTS FILED BY VETERAN AND NEW OPERATIONS BY QUARTER: JULY 1979 - DECEMBER 1981
CITY OF SAN DIEGO EXCLUSIVE RIDE SERVICE

	July-Sept 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	July-Sept 1980	Oct-Dec 1980	Jan-Mar 1981	Apr-Jun 1981	July-Sept 1981	Oct-Dec 1981	% Change in 30 mos.
5-Mile Trip Fare:											
Veteran Operations	5.60	5.75	5.95	6.15	6.15	6.20	6.35	6.35	6.45	6.60	+18%
New Operations	5.70	6.15	6.30	6.35	6.50	6.70	6.90	7.00	7.05	7.40	+30%
Industry Average Fare	5.65	5.95	6.10	6.25	6.40	6.50	6.75	6.80	6.95	7.25	+28%
% Difference (Range)	2%	7%	6%	3%	6%	8%	9%	10%	9%	12%	
Flag Drop Charges:											
Veteran Operations	1.09	1.07	1.10	1.10	1.11	1.12	1.13	1.14	1.16	1.17	+7%
New Operations	1.10	1.15	1.16	1.17	1.18	1.19	1.31	1.25	1.25	1.32	+20%
Industry Average Flag Drop	1.10	1.11	1.13	1.15	1.16	1.17	1.26	1.22	1.23	1.29	+17%
Mileage Charges:											
Veteran Operations	0.94	0.98	1.01	1.03	1.05	1.06	1.08	1.08	1.10	1.13	+20%
New Operations	0.96	1.04	1.07	1.08	1.11	1.14	1.16	1.19	1.20	1.27	+32%
Industry Average Mileage Charge	0.95	1.01	1.04	1.06	1.09	1.11	1.14	1.16	1.18	1.24	+31%
Wait Time Charges:											
Veteran Operations	9.13	9.15	9.17	9.18	9.19	9.20	9.22	9.24	9.23	9.27	+2%
New Operations	9.18	9.19	9.17	9.18	9.21	9.28	9.45	9.55	9.57	9.82	+7%
Industry Average Wait Charge	9.14	9.16	9.17	9.18	9.20	9.26	9.38	9.46	9.48	9.69	+6%
Number of Firms*	72	99	117	132	143	156	171	182	185	210	

*I.e., for which rate data exist.

**TABLE B-3 MEAN RATE SEGMENTS BY CONTINUING OPERATIONS COMPARED WITH THOSE OF FIRMS EXITING THE INDUSTRY,
BY QUARTER: JULY 1979 - DECEMBER 1981 CITY OF SAN DIEGO EXCLUSIVE RIDE SERVICE**

	July-Sept 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	July-Sept 1980	Oct-Dec 1980	Jan-Mar 1981	Apr-Jun 1981	July-Sept 1981	Oct-Dec 1981
Flag Drop Charges:										
Continuing Industry Average	1.10	1.11	1.13	1.15	1.16	1.17	1.26	1.22	1.23	1.29
Continuing Small Companies	1.08	1.12	1.13	1.15	1.18	1.18	1.24	1.25	1.26	1.32
Operations Exiting Industry During Quarter	-	1.13	0.95	1.12	1.15	1.13	1.20	1.10	1.13	1.13
Mileage Charges:										
Continuing Industry Average	0.95	1.01	1.04	1.06	1.09	1.11	1.14	1.16	1.18	1.24
Continuing Small Companies	0.97	1.04	1.08	1.09	1.12	1.15	1.19	1.22	1.24	1.28
Operations Exiting Industry During Quarter	-	0.90	0.95	1.04	0.95	1.07	1.00	1.10	1.00	1.00
Wait Time Charges:										
Continuing Industry Average	9.14	9.16	9.17	9.18	9.20	9.26	9.38	9.46	9.48	9.69
Continuing Small Companies	9.15	9.20	9.20	9.21	9.23	9.26	9.32	9.66	9.62	9.83
Operations Exiting Industry During Quarter	-	9.33	9.00	8.84	9.00	9.00	9.00	9.00	10.00	9.00
Number of Firms ^a	72	99	117	132	143	156	171	182	185	210
Number of Firms Exiting During Quarter ^b	0	3	3	5	4	3	1	2	3	3

^ai.e., for which rate data exist

TABLE B-4 NUMBER OF COMPANIES AND AVERAGE GROUP RIDE RATES BY ROUTE AND QUARTER

Route	July-Sept 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	July-Sept 1980	Oct-Dec 1980	Jan-Mar 1981	Apr-Jun 1981	July-Sept 1981	Oct-Dec 1981
SDI-Local Buses	(2) 3.25	(5) 3.34	(8) 3.40	(10) 3.45	(14) 3.46	(32) 3.38	(35) 3.44	*		
SDI-Local Hotels	-	-	-	(1) 7.50	(1) 7.50	(2) 7.00	(3) 8.00	(3) 8.00	(3) 8.00	(3) 8.00
SDI-Pendleton Gate	-	-	(1) 7.50	(2) 7.00	(5) 6.50	(10) 6.50	(11) 9.55	(11) 9.55	(11) 9.55	(11) 9.55
SDI-Pendleton Recp.	-	-	(1) 10.00	(3) 9.33	(6) 10.33	(14) 9.00	(15) 10.69	(15) 10.69	(15) 10.69	(15) 10.69
Downtown-Local Buses	-	-	-	-	(1) 3.00	(3) 4.33	(3) 4.33	*		
Downtown-No. Island	-	-	-	-	-	(1) 1.00	(1) 1.00	(1) 1.00	(1) 1.00	(1) 1.00
32nd St. Nav-1st St & Broadway	-	-	(1) 0.60	(1) 0.60	(1) 0.60	(1) 0.60	(1) 0.60	*		
SDI-Harbor Island	-	-	-	-	(1) 1.50	(1) 1.50	(1) 1.50	*		
MTC-Shelter Island	-	-	-	-	(1) 2.00	(1) 2.00	(1) 2.00	*		
MTC-Downtown	-	-	-	(1) 1.25	(1) 1.25	(1) 1.25	(1) 1.25	*		

*Likely discontinued through local military prohibition

TABLE B-5 MEAN RATE SEGMENTS FILED BY COMPANY TYPE BY QUARTER: JULY 1979 - DECEMBER 1981
SAN DIEGO AIRPORT OPERATORS EXCLUSIVE RIDE SERVICE

	July-Sept 1979		Jan-Mar 1980		Apr-Jun 1980		July-Sept 1980		Oct-Dec 1980		Jan-Mar 1981		Apr-Jun 1981		July-Sept 1981		Oct-Dec 1981		% Change Since On-Set of Variable Pricing	
Flag Drop Charges:																				
Yellow Cab (Large Fleet)	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	0	
CO-OP (Assoc.)	1.10	1.10	1.11	1.11	1.11	1.11	1.10	1.10	1.11	1.11	1.11	1.13	1.13	1.14	1.14	1.15	1.15	1.15	+5%	
Other Fleets (4-32 cabs)	1.10	1.10	1.14	1.14	1.15	1.15	1.21	1.21	1.21	1.21	1.23	1.23	1.24	1.24	1.24	1.26	1.26	1.26	+17%	
Mini-Fleets (2-3 cabs)	1.04	1.11	1.13	1.13	1.15	1.15	1.20	1.20	1.19	1.19	1.22	1.22	1.26	1.26	1.26	1.26	1.28	1.28	+21%	
One-Cab Firms	1.10	1.09	1.14	1.14	1.17	1.17	1.17	1.17	1.18	1.18	1.20	1.20	1.22	1.22	1.22	1.22	1.22	1.22	+16%	
Airport Average Flag Drop	1.10	1.10	1.13	1.13	1.15	1.15	1.16	1.16	1.17	1.17	1.25	1.25	1.21	1.21	1.22	1.22	1.25	1.25	+14%	
% Change per Quarter	0	0	+3%	+3%	+2%	+2%	+1%	+1%	+1%	+1%	+7%	+7%	-3%	-3%	+1%	+1%	+2%	+2%		
Mileage Charges:																				
Yellow Cab	0.80	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20	1.20	+50%	
CO-OP	0.95	1.00	0.99	0.99	1.07	1.07	1.11	1.11	1.11	1.11	1.33	1.33	1.14	1.14	1.00	1.00	1.01	1.01	+6%	
Other Fleets	0.93	0.95	1.04	1.04	1.09	1.09	1.12	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.15	1.15	1.16	1.16	+31%	
Mini-Fleets	1.00	1.09	1.09	1.09	1.09	1.09	1.12	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.15	1.15	1.16	1.16	+16%	
One-Cab Firms	0.95	1.02	1.07	1.07	1.09	1.09	1.12	1.12	1.16	1.16	1.16	1.16	1.17	1.17	1.18	1.18	1.23	1.23	+29%	
Airport Average Mileage Charge	0.95	1.01	1.05	1.05	1.06	1.06	1.09	1.09	1.10	1.10	1.11	1.11	1.12	1.12	1.13	1.13	1.18	1.18	+24%	
% Change per Quarter	0	+6%	+6%	+6%	+1%	+1%	+3%	+3%	+1%	+1%	+1%	+1%	+1%	+1%	+1%	+1%	+4%	+4%		
Wait Time Charges:																				
Yellow Cab	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0
CO-OP	9.14	9.17	9.19	9.19	9.18	9.18	9.21	9.21	9.21	9.21	9.17	9.17	9.17	9.17	9.16	9.16	9.21	9.21	+0.7%	
Other Fleets	9.00	9.00	9.08	9.08	9.08	9.08	9.20	9.20	9.60	9.60	10.17	10.17	9.44	9.44	9.49	9.49	9.63	9.63	+7%	
Mini-Fleets	9.00	9.13	9.21	9.21	9.24	9.24	9.28	9.28	9.30	9.30	9.38	9.38	9.52	9.52	9.54	9.54	9.53	9.53	+6%	
4 One-Cab Firms	9.20	9.19	9.17	9.17	9.20	9.20	9.20	9.20	9.22	9.22	9.32	9.32	9.43	9.43	9.49	9.49	9.66	9.66	+7%	
Airport Average Wait Charge	9.14	9.16	9.18	9.18	9.18	9.18	9.21	9.21	9.27	9.27	9.41	9.41	9.40	9.40	9.43	9.43	9.54	9.54	+7%	
% Change per Quarter	0	+0.2%	+0.1%	+0.1%	+0.1%	+0.1%	+0.3%	+0.3%	+0.7%	+0.7%	+1.5%	+1.5%	-0.1%	-0.1%	+0.3%	+0.3%	+1.2%	+1.2%	+4%	
Number of Firms*	71	95	111	111	125	125	133	133	139	139	140	140	147	147	149	149	163	163		

*i.e., for which rate data exist.

TABLE B-6 MEAN RATE SEGMENTS FILED BY VETERAN AND NEW OPERATORS BY QUARTER: JULY 1979 - DECEMBER 1981
SAN DIEGO AIRPORT OPERATORS EXCLUSIVE RIDE SERVICE

	July-Sept 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	July-Sept 1980	Oct-Dec 1980	Jan-Mar 1981	Apr-Jun 1981	July-Sept 1981	Oct-Dec 1981	% Change Since On- Set of Vari- able Pricing
Flag Drop Charges:											
Veteran Operations	1.09	1.07	1.09	1.10	1.11	1.12	1.13	1.15	1.16	1.17	+7%
New Operations	1.10	1.14	1.16	1.18	1.19	1.19	1.29	1.24	1.24	1.27	+15%
Airport Average Flag Drop	1.10	1.10	1.13	1.15	1.16	1.17	1.25	1.21	1.22	1.25	+14%
Mileage Charges:											
Veteran Operations	0.94	0.98	1.01	1.03	1.04	1.06	1.07	1.07	1.09	1.11	+18%
New Operations	0.96	1.05	1.08	1.09	1.11	1.13	1.13	1.14	1.14	1.19	+24%
Airport Average Mileage Charge	0.95	1.01	1.05	1.06	1.09	1.10	1.11	1.12	1.13	1.18	+24%
Wait Time Charges:											
Veteran Operations	9.13	9.15	9.18	9.18	9.20	9.22	9.27	9.30	9.26	9.30	+2%
New Operations	9.18	9.18	9.17	9.18	9.22	9.29	9.46	9.44	9.48	9.62	+5%
Airport Average Wait Charge	9.14	9.16	9.17	9.18	9.21	9.27	9.41	9.40	9.43	9.54	+4%
Number of Firms*	71	95	111	125	133	139	140	147	149	163	

*i.e., for which rate data exist.

TABLE B-7 STATUS OF TAXI VEHICLE DEPARTURES FROM CABSTANDS BY COMPANY TYPE

<u>Company Type</u>	<u>Departures from Taxi Stands By Status on Departure</u>									
	<u>Observed</u>	<u>Dispatched Elsewhere</u>	<u>Left Empty</u>	<u>Left With Passengers</u>	<u>Remained After Survey Ended</u>	<u>Total*</u>				
	<u>#</u>	<u>#</u>	<u>#</u>	<u>#</u>	<u>#</u>	<u>#</u>				
	<u>(Col. %)</u>	<u>(Col. %)</u>	<u>(Col. %)</u>	<u>(Col. %)</u>	<u>(Col. %)</u>	<u>(Col. %)</u>				
Yellow Cab	34 (57%)	10 (25%)	47 (25%)	14 (23%)	244 (23%)	72 (24%)	1 (100%)			
Other Fleets	23 (38%)	5 (31%)	58 (31%)	13 (30%)	324 (30%)	72 (31%)	450 (100%)			
Mini-Fleets	1 (2%)	1 (14%)	27 (14%)	20 (9%)	100 (9%)	74 (9%)	135 (100%)			
One-Cab Firms	2 (3%)	<1 (31%)	58 (31%)	11 (38%)	401 (38%)	77 (36%)	519 (100%)			
Total	60 (4%)	190 (14%)	1,069 (79%)	121 (100%)	1,445 (100%)	1,445 (100%)				

*Does not include cruise-bys (35 cases).

TABLE B-8 PROPORTION OF AIRPORT TRIPS BY COMPANY SIZE: NOVEMBER 1978, 1979 and 1980

	Yellow Cab		Other Fleets		Mini-Fleets		One-Cab Companies		Total (All Companies)						
	78	79	78	79	78*	79*	78	79	78	79					
Airport- Connected Trips Served	18.9	19.3	20.7	23.9	24.7	-	-	41.7	3.1	62.0	38.3	18.3	24.0	20.6	
All Other Trips Served	81.1	80.7	79.3	76.1	75.3	-	-	58.3	96.9	38.0	61.7	81.7	76.0	79.4	
Total	460	352	1207	135	155	442	-	-	103	44	50	228	639	557	1980

*There were no two- and three-cab firms in 1978; the mini-fleets did not participate in the P+S in 1979.

**TABLE B-9 TAXI COMPANY RESPONSE TIMES TO TELEPHONE TRIP REQUESTS:
NOVEMBER 1979 COMPARED WITH JUNE 1976**

Wait Times, No Shows, Resusals	Results From November 1979				June 1976 Results from Seven Fleets	
	Yellow	CO-OP	ICOA	Other fleets		Total
Under 15 minutes	103 66.9%	29 52.7%	5 21.7%	22 55.0%	159 57.8%	72 74%
15 - 30 minutes	30 19.5	13 23.6	3 13.0	9 22.5	58 21.1	20 20%
31 - 45 minutes	7 4.5	1 1.8	-	-	8 2.9	3 3
Over 45 minutes	-	-	-	-	3 1.1	3 3
No show	14 9.1	7 12.7	-	7 17.5	28 10.2	
Trip refused	-	5 9.1	15 65.2	2 5.0	22 8.0	2 2
Total Calls	154 100.0%	55 100.0%	23 100.0%	40 100.0%	275 100.0%	100 100.0%

SOURCE: November 1979 Taxicab Response Time Survey conducted by the San Diego Paratransit Administration, June 1976 Taxicab Response Time Survey conducted by the San Diego Department of Transportation, see Evell to Lefnow, File No. 15.32, June 9, 1976.

TABLE B-10 CUMULATIVE DISTRIBUTION OF TAXI VEHICLE AGES BY COMPANY TYPE: 1980 and 1981

Vehicle Year	Number and Cumulative Percentage of Vehicles by Company Type													
	APRIL 1980							JULY 1981						
	Yellow Cabs* # %	Other Fleets # %	Mini- Fleets # %	One-Cab Firms # %	All (Non- Yellow) Vehicles # %	Other Fleets # %	Mini- Fleets # %	One-Cab Firms # %	All (Non- Yellow) Vehicles # %					
Pre-1972	-	43 37.1	8 23.5	38 34.9	89 34.4	45 34.6	20 36.4	3 29.1	95 33.0					
1972	-	9 44.8	8 47.0	13 46.8	30 45.9	16 46.9	6 42.3	5 34.0	27 42.4					
1973	50 18.1	10 53.4	4 58.0	14 59.6	28 56.8	18 60.8	7 60.0	17 50.0	42 56.9					
1974	3 19.2	5 57.8	2 64.7	11 69.7	18 63.7	9 67.7	5 69.0	7 57.3	21 64.2					
1975	-	15 70.7	5 79.4	5 74.3	65 73.4	4 70.8	1 70.9	6 63.1	11 68.1					
1976	-	4 74.1	3 88.2	7 80.7	14 78.8	9 77.7	2 74.5	7 69.9	18 74.3					
1977	67 43.5	17 88.8	2 94.1	12 91.7	31 90.7	15 89.2	5 83.6	13 82.5	33 85.8					
1978	2 44.2	9 96.6	-	4 95.4	13 95.8	4 92.3	2 87.3	4 86.4	10 89.2					
1979	79 72.8	4 100.0	1 97.1	5 100.0	10 99.6	5 96.2	5 96.4	11 97.1	21 96.5					
1980	75 100.0	-	1 100.0	-	1 100.0	5 100.0	2 100.0	2 99.0	9 99.7					
1981	-	-	-	-	-	-	-	1 100.0	1 100.0					
Sample Size	276	116	34	109	259	130	55	103	288					

*Yellow vehicle data available for 1980 only.

APPENDIX C: RECENT CITY, COUNTY AND PORT REGULATIONS

ORDINANCE NO. 0-15429
(New Series)

0. 81-122

AN ORDINANCE AMENDING CHAPTER VII, ARTICLE
5, DIVISION 2 OF THE SAN DIEGO MUNICIPAL
CODE BY AMENDING SECTION 75.0202 RELATING
TO RATES OF FARE FOR TAXICABS.

JAN 19 1981

BE IT ORDAINED, by the Council of The city of San Diego,
as follows:

Section 1. That Chapter VII, Article 5, Division 2 of
the San Diego Municipal Code be and it is hereby amended by
amending Section 75.0202 to read as follows:

SEC. 75.0202 RATES OF FARE

Rates of fare for taxicabs shall be set in accord-
ance with the type of service that the taxicab is pro-
viding.

[Subsections (a) through (g) remain the same.]

(h) Except as otherwise provided herein it shall
be unlawful for any permit holder and/or driver to
demand of a passenger a charge for hire which is greater
than the permit holder's fixed route shared ride or
meter rate filed with the City Manager pursuant to Sec-
tions 75.0201 or 75.0202(b) of this Code.

(1) Nothing in this Article shall preclude
a permit holder or driver from agreeing with
prospective passenger(s) to a rate of fare which
is less than the permit holder's currently filed
and posted rates of fare if the agreement is
entered into in advance of the passenger(s) hiring
the taxicab for the trip except for trips com-
mencing at the Lindbergh Field International Airport.

(2) With respect to any trip which commences at the Lindbergh Field International Airport a taxicab permit holder may establish, file, post and charge a rate of fare which does not exceed twenty percent (20%) more or less than the weighted average of rates of fare as established herein. This rate of fare shall be filed with the City Manager pursuant to Section 75.0202(a) of this Code.

(3) The weighted average of rates of fare referred to in Section 75.0202(h)(2) shall be computed by the City Manager and duly promulgated in writing at the commencement of each calendar quarter of the year by averaging each segment of the fare structure of all City taxicab permit holders who also hold effective and valid ground transportation permits for the pickup of passengers at Lindbergh Field International Airport issued by the San Diego Unified Port District. The fare structure referred to above shall consist of the dollar amounts charged by said permit holders for the flag drop, the per mile charge, waiting time charge, and first zone and each additional zone charge. The weighted average of these charges shall be arrived at by adding each segment of each respective charge and dividing it by the total number of taxicabs holding effective and valid ground transportation permits for the pickup of passengers at Lindbergh Field International Airport.


(4) Any permit holder may utilize one rate of fare for transportation services originating at Lindbergh Field International Airport and another rate for transportation services originating in locations other than Lindbergh Field International Field provided that both rates of fare are filed and posted in accordance with Sections 75.0202(a) and 75.0202(b) of this Code.

[Subsections (i) through (m) remain the same.]

Section 2. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: JOHN W. WITT, City Attorney

By


C. M. Fitzpatrick
Senior Chief Deputy

CMF:vl:504.1

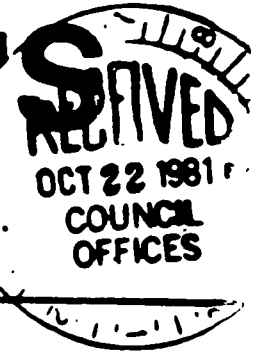
11/20/80

Or. Dept.: Mgr.



The City of San Diego

MANAGER'S REPORT



DATE ISSUED: October 22, 1981

REPORT NO. 81-406

ATTENTION: Transportation & Land Use Committee Agenda of
October 26, 1981

SUBJECT: Paratransit Vehicle/Operator Insurance

BACKGROUND

The Paratransit Code, Section 75.0118 Public Liability requires paratransit vehicle operator(s) have an insurance policy on file with the City. The City Manager previously determined the amount of necessary liability coverage to be \$100,000/\$300,000 personal injury, \$50,000 property damage.

DISCUSSION

The above minimum paratransit insurance levels have been re-evaluated in light of the current operating environment, which includes:

- Shared ride taxi service was permitted within the 1979 code revisions which increases passenger-carrying potential.
- Shared ride is actively encouraged under the proposed Dial-a-Ride modifications in addition to requiring taxi utilization by elderly and handicapped persons.
- The prudence of further reducing the City's exposure to claims as a result of current judgement amounts.
- The ISO (Regional Insurance Services Office) recommended rates reflect an average \$250 increase in cost per vehicle for \$250,000/\$500,000/\$100,000 coverage which representing 10% to 15% increased premiums over current rates.

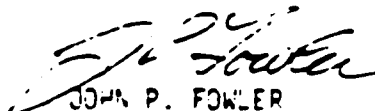
CONCLUSION

Under the revised requirements, paratransit vehicles will be required to carry the following levels of insurance coverage:

<u>Passenger Seating Capacity</u>	<u>Bodily Injury/Death One Person</u>	<u>Bodily Injury/Death On Accident</u>	<u>Property Loss Damage</u>
8 passengers, or less	\$250,000	\$ 500,000	\$100,000
9 to 22 passengers, incl.	250,000	750,000	100,000
23 passengers or more ---	250,000	1,000,000	100,000

Adequacy of insurance of levels will be continued to be monitored to assure appropriate coverage of paratransit operations.

Respectfully submitted,


JOHN P. FOWLER
Deputy City Manager

HADEN/BL



R J Mossman
Director

Offices of
County Engineer & Road Commissioner
County Surveyor
County Airports

COUNTY OF SAN DIEGO
DEPARTMENT OF TRANSPORTATION

Bldg 2 3555 Overland Ave.
San Diego, California 9212
Telephone (714) 565-512

October 30, 1980

TO: Board of Supervisors (A45)
FROM: Director, Department of Transportation (0332)
SUBJECT: Adoption of Ordinance Relating to Licensing and Operation
of Jitneys

SB 780 of the 1979 legislative session gave your Board authority to license and regulate jitneys within San Diego County. Previously jitneys were the responsibility of the Public Utilities Commission.

In order to assume the authority granted by the State Legislature an ordinance regulating the licensing and operation of jitneys must be adopted by your Board.

The attached ordinance has been revised to include jitneys as well as taxicabs. After adoption of this ordinance, jitney routes in the unincorporated area or that cross through cities can be licensed by the County. Also included are changes requested by the Sheriff relating to taxicabs. It is my

RECOMMENDATION: That your Board

1. Adopt the attached Ordinance Amending Sections of the San Diego County Code of Regulatory Ordinances Relating to the Licensing and Operation of Taxicabs and Jitneys either as an urgency ordinance or as a routine ordinance.
2. Adopt the attached Board Policy, Criteria for Reviewing Applications for Licenses to Operate Jitney Routes.

Discussion:

On a request from the industry, an urgency version of the ordinance has been prepared, as well as a routine version for your Board. The urgency version was requested by operators to allow them to begin service before the peak holiday travel period. As a routine ordinance a 30-day delay is required. This may not provide sufficient start-up time to begin service for Thanksgiving and Christmas holiday travel.

The attached ordinance makes the following substantive changes:

- A. Adopts into the County ordinance the definition of jitneys from PUC statutes.
- B. Requires licensing of jitneys by the Sheriff with approval of the Director of the Department of Public Works.
- C. Makes jitney license and vehicle fees the same as taxicab fees.
- D. Requires an inspection of jitney vehicles by the Sheriff as a condition of licensing.
- E. Requires maintenance of vehicle safety equipment as a condition of retaining license and permit.
- F. Requires identification card for jitney drivers.
- G. Requires liability insurance for jitney vehicles.
- H. Requires display of medallion issued by Sheriff on exterior of all licensed taxicabs and jitney vehicles.
- I. Allows jitney fares to be charged on a per capita, per mile or per zone basis.
- J. Requires posting of jitney rates within all vehicles.
- K. Prescribes specific driver duties in the operation of jitney vehicles.
- L. Prohibits a taxicab driver from carrying passengers without having a taximeter in operation.
- M. Requires performance as a condition of retaining license and permit.

The attached Board Policy was developed to guide the Director of the Department of Public Works in reviewing applications for licenses to operate jitney service. The policy makes licenses

conditional on performance of service for the duration of the license period. Jitney licenses will be issued for service which complements existing public transportation services. Also, your Board's policy of free market competition between taxicab operators is extended to jitney operators.

The proposed policy divides licensing responsibilities between the Sheriff and the Director of the Department of Public Works. The Sheriff is responsible for reviewing applicants to determine financial responsibility, whether applicant is fit and proper person to engage in the jitney business, and for adequacy of liability coverage. The Sheriff is also responsible for enforcing safety and other provisions of the San Diego County Code relating to jitney service.

Under the policy, the Director of the Department of Public Works shall approve jitney licenses upon a finding that the applicant is able to perform for the duration of the license period and that such service will complement existing public transportation services.

Before adoption of recent state law, only the PUC could license intercity or unincorporated area jitneys. With passage of SB 780 and the attached County Ordinance, the County can license jitneys which operate primarily in the unincorporated County or that pass through cities within the County.

R. J. Massman
R. J. MASSMAN, Director
Department of Transportation

CONCURRENCES:
J. F. Duffy
JOHN F. DUFFY
Ja: Sheriff

	Reviewed by:	Not needed:
CAO	_____	_____
Counsel	<i>PNB</i>	_____
Auditor	_____	_____
OMB	_____	_____
Purchasing	_____	_____

ORDINANCE NO. 5931 (NEW SERIES)

AN ORDINANCE AMENDING SECTIONS OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES RELATING TO THE LICENSING AND OPERATION OF TAXICABS AND JITNEYS AS AN URGENCY MEASURE THEREOF

The Board of Supervisors of the County of San Diego do ordain as follows:

Section 1. San Diego County Code Section 16.101 is amended to read as follows:

Sec. 16.101 LICENSES REQUIRED. It shall be unlawful for any person, firm, or corporation to engage in conduct, manage, or carry on any of the following businesses, practices, professions, or occupations within the unincorporated area of the County of San Diego without first having obtained a license therefor in accordance with the Uniform Licensing Procedure:

- (a) Amusement Establishment and Devices
- (b) Aircraft Ticket Brokers
- (c) Auction and Auctioneers
- (d) Bingo
- (e) Carnivals and Go-Cart Centers
- (f) Coupon Books, Distribution of
- (g) Dances and Dance Halls
- (h) Dances, Teenage
- (i) Entertainment
- (j) Female Entertainers
- (k) Firearms, Sale of
- (l) Junk, Automotive Wrecking, Non-Operating Vehicle Storage Yards
- (m) Kennels
- (n) Massage Establishment
- (o) Massage Technician
- (p) Massage Technician Trainee
- (q) Outdoor Assemblage
- (r) Second Hand Dealers
- (s) Shooting Ranges
- (t) Solicitations
 - (1) Solicitors
 - (i) License
 - (ii) Identification Card
 - (2) Charitable Solicitations
 - (i) License
 - (ii) Information Card
- (u) Street Patrols
- (v) Swap Meets and Swap Lots
- (w) Taxicabs - Taxicab Driver
 - (1) Operator's License
 - (2) Driver's Identification Card
- (x) Jitneys - Jitney Driver
 - (1) Operator's License
 - (2) Driver's Identification Card

11/18/80 (50)

Section 2. San Diego County Code Section 21.301 is amended to read as follows:

Sec. 21.301 DEFINITIONS. Whenever in this chapter the following terms are used, they shall have the meanings respectively ascribed to them in this section:

(a) TAXICAB. Taxicab means a motor-propelled passenger carrying vehicle for hire which is used for the transportation of passengers over and along the public streets, not over a defined route, but as to the route and destination in accordance with and at the direction of the passenger or person hiring such vehicle.

(b) TAXICAB OPERATOR. Taxicab Operator means a person, firm, partnership or corporation engaged in the business of operating one or more taxicabs and carrying passengers in such taxicabs for hire within the unincorporated territory of the County.

(c) JITNEY OPERATOR. Jitney Operator means a person, firm, partnership, or corporation engaged in the business of operating one or more jitneys and carrying passengers in jitneys as defined in paragraph (k) of this section.

(d) DRIVER. Driver means an individual who drives or is in actual physical control of a vehicle in which passengers are carried for hire within the unincorporated territory of the County.

(e) DOING TAXICAB BUSINESS. Doing taxicab business means accepting or soliciting passengers for hire in the unincorporated area of the County of San Diego. Doing taxicab business also includes discharging of a passenger for hire in the unincorporated area of the County if such passenger boarded the taxicab in a military installation lying wholly or partially in the unincorporated area of the County of San Diego.

(f) DOING JITNEY BUSINESS. Doing jitney business means accepting or soliciting passengers for hire using motor driven passenger transportation vehicles of not more than 15 passenger capacity, excluding the driver, which operate as described in paragraph (k) of this Section.

(g) LICENSE. License means the taxicab and/or jitney operator annual license for all of the vehicles operated by an operator and issued pursuant to this chapter.

(h) PERMIT. Permit means the annual permit issued for each vehicle licensed pursuant to this chapter.

(i) DRIVER'S IDENTIFICATION CARD. Driver's identification card means the annual identification card issued to a vehicle driver pursuant to this chapter.

(j) POSTED RATE. Posted rate means the rate of charge registered with the Sheriff and posted within the vehicle. For taxicabs the posted rate indicates the rate of charge at which the taximeter has been set and inspected by the sealer of weights and measures.

(k) **JITNEY VEHICLE.** Jitney Vehicle means a motor driven passenger transportation vehicle of not more than 15 passenger capacity, excluding the driver, which operates between fixed termini and over a regular route and generally on short, non-scheduled headways; and whose operations are 98% or more (as measured by total route mileage operated) exclusively within the limits of the County of San Diego, and more than 2% of whose operations are outside the limits of a single city within the County, except that a jitney vehicle does not include any of the following:

(1) A vehicle whose operation consists solely of transporting pupils or students attending an institution of learning between their homes and such institution;

(2) A vehicle whose operation consists solely of transporting of pupils or students to and from a public or private school, college or university, or to and from activities of a public or private school, college or university, where the rate charged or fare for such transportation is not computed, collected, or demanded on an individual fare basis;

(3) A vehicle whose operation consists solely of transporting persons from place of residence to place of employment, where the driver himself is on the way to or from his place of employment;

(4) Medical transportation vehicles used for transporting persons under medical treatment when accompanied by trained medical personnel such as a doctor, nurse, paramedic and/or emergency medical technician.

The percentage of route mileage within the County of San Diego or within any city within the County of San Diego shall be determined by the Public Utilities Commissions pursuant to Section 226 of the Public Utilities Code.

(l) **VEHICLE.** Vehicle, when used generally, shall refer to both taxicabs and jitney vehicles.

Section 3. San Diego County Code Section 21.304 is amended to read as follows:

Sec. 21.304. TAXICAB AND JITNEY OPERATOR LICENSE - ISSUANCE OR DENIAL. Upon receipt of the application forms the Sheriff shall conduct an investigation of the applicant and the proposed taxicab and/or jitney business and on the basis of such investigation shall issue or deny the license. Applicants for jitney operator license shall submit one copy each of jitney routes proposed to be operated to the Sheriff and the Director of the Department of Public Works. The Sheriff shall consider the following in determining whether to issue or deny the license:

(a) Financial responsibility and experience of the applicant and whether the applicant is a fit and proper person to engage in the taxicab and/or jitney business.

(b) Any other information which will aid the Sheriff in his decision.

(c) The Director of the Department of Public Work's determination of public necessity for service on proposed jitney routes.

Upon completion of his investigation, the Sheriff shall issue or deny the operator license. Before issuing a jitney operator's license, the Sheriff shall have the approval of the Director of the Department of Public Works of the proposed jitney route. If the Sheriff denies the license, he shall set forth in writing the reasons for such denial and mail by certified or registered United States mail a copy of his denial to the applicant at the address given by applicant in the application for a license and to the Clerk of the Board of Supervisors. The applicant may appeal the Sheriff's decision in the manner provided in this chapter.

A jitney operator shall submit all jitney route changes including additions or reductions to existing routes, changes to days, hours, and frequency of existing services, and any new route proposals to the Sheriff and the Director of the Department of Public Works at least 30 days in advance of such proposed changes. Upon completion of the investigation by the Sheriff and with authority of the Director of the Department of Public Works, the Sheriff shall approve or deny the requested route change. If the Sheriff denies the change, he shall follow the procedure outlined in the proceeding paragraph.

Section 4. San Diego County Code Section 21.305 is amended to read as follows:

Sec. 21.305. TAXICAB AND JITNEY OPERATOR LICENSE - ADDITIONAL REASONS FOR REVOCATION OR SUSPENSION. In addition to the reasons stated in the Uniform Licensing Procedure, the Issuing Officer may revoke or suspend a license in whole or in part for any of the following acts on the part of the license holder, his agents, representatives or employees:

- (a) Charging or demanding from passengers fares exceeding the posted rate.
- (b) Knowingly making any false, misleading or fraudulent statement of a material fact in the application for an operator's license.
- (c) Violation of this chapter or any section thereof.
- (d) Operation of a taxicab or jitney vehicle by an individual that has not been issued a valid driver's identification card pursuant to Section 21.313 of this chapter.
- (e) Operation of a jitney vehicle on a route other than that for which an operator license was issued.
- (f) Failure to operate jitney service on days, hours, frequency and route for which license was issued.

Section 5. San Diego County Code Section 21.307 is amended to read as follows:

Sec. 21.307. TAXICABS AND JITNEYS - OPERATOR LICENSE. The procedure to follow, except as otherwise herein provided, in obtaining a license is that set forth in the Uniform Licensing Procedure Sections 16.101-16.115.

The applicant shall present with his application evidence of liability insurance, which shall comply with the provisions of this chapter.

Section 6. San Diego County Code Section 21.308 is amended to read as follows:

Sec. 21.308. TAXICAB AND JITNEY OPERATOR LICENSE - INSPECTION OF VEHICLE. As a condition to the granting of a taxicab and/or jitney operator license, the applicant shall submit his vehicle or vehicles, at a place designated by the Sheriff, for inspection by the Sheriff. The inspection shall include but not be limited to those items mentioned in the provisions of this chapter relating to the condition of vehicles to be used for taxicabs and/or jitneys. In lieu of such inspection, the Sheriff may in his discretion use evidence of other inspections conducted by the State of California or by municipalities within the County of San Diego with regard to any vehicle which is the subject of the application.

Section 7. San Diego County Code Section 21.309 is amended to read as follows:

Sec. 21.309. TAXICABS AND JITNEYS - LICENSE FEES. An applicant for an operator's license shall pay to the Issuing Officer an annual license fee of \$146 plus \$40 per year per vehicle permit. In the event that the Sheriff accepts evidence of other inspections pursuant to Section 21.308 hereof, then the annual fee shall be \$146 plus \$27 per year per vehicle permit. The renewal fee shall be \$105 plus \$40 per year per vehicle permit. The renewal fee shall be subject to the same exception stated above relating to other inspections.

Section 8. San Diego County Code Section 21.311 is amended to read as follows:

Sec. 21.311. TAXICABS AND JITNEYS - CONDITION OF VEHICLE.

(a) The operator shall maintain his vehicles in such a manner that passengers or pedestrians or vehicles or other property in the vicinity of the operation of such taxicab or jitney shall not be exposed to any hazard from any defective equipment or malfunction of equipment in or on the taxicab or jitney.

(b) No vehicle designed to accommodate more than eight (8) persons excluding the driver shall be used as a taxicab.

(c) Each taxicab and jitney, as a condition precedent to being licensed and a permit issued therefor and as a condition precedent to retaining such license and permit, shall at all times have:

- 1) Headlights properly functioning and adjusted.
- 2) Brake lights properly functioning.
- 3) Turn indicators properly functioning.
- 4) Parking brake properly adjusted and functioning.
- 5) Tail lights properly functioning.
- 6) Seat belts properly installed and available for each passenger.
- 7) Tires that have adequate tread, are safe and properly inflated.

8) Steering mechanism properly adjusted and safely operating.

9) Any equipment required by statute or ordinance which equipment shall be maintained in good working order.

(d) The operator shall cause the inside of each taxicab and jitney to be thoroughly cleaned once every 24 hours and shall cause the inside of each taxicab and jitney to be cleaned with a disinfectant solution once each week.

Section 9. San Diego County Code Section 21.312 is amended to read as follows:

Sec. 21.312. TAXICABS AND JITNEYS - DRIVER'S IDENTIFICATION CARD.

(a) It shall be unlawful for any person to drive any taxicab or jitney doing business in the County of San Diego without first obtaining a taxicab and/or jitney driver's identification card from the Issuing Officer.

(b) Pending completion of the Issuing Officer's investigation of the applicant driver, a temporary identification card may be granted for a period not to exceed sixty days.

(c) No identification card shall be issued to any of the following persons:

- 1) Any person under the age of 18 years.
- 2) Any person who does not possess a valid State of California vehicle operator's license.
- 3) Any person who has been convicted of a crime, the nature of which indicates the applicant's unfitness to operate a taxicab or jitney in a safe and lawful manner, including, but not limited to, the following:
 - A. Any of the offenses described under penal Code Section 290;
 - B. Any of the offenses requiring registration for violation of the Uniform Controlled Substances Act pursuant to Health and Safety Code Section 11590;

unless 12 months have elapsed from said conviction during which period the applicant's record is good.

- 4) Any person who is addicted to any substance prohibited by the Uniform Controlled Substances Act (Health and Safety Code Section 11000 et seq.) unless enrolled and successfully participating in a methadone maintenance program approved under Welfare and Institutions Code Sections 4351 or 4352.

(d) The Issuing Officer may deny an application for an identification card to any person who has been convicted of a crime, the nature of which indicates the applicant's unfitness to operate a taxicab or jitney in a safe and lawful manner, including but not limited to the following:

- 1) Vehicle Code section 23101 through and including 23106;
- 2) Assault or battery or any form thereof

unless twelve (12) months shall have elapsed from said conviction during which period the applicant's record is good.

(e) For the purposes of this section, a plea or verdict of guilty, a finding of guilty by a court in a trial without a jury, a plea of nolo contendere, or a forfeiture of bail is deemed a conviction.

(f) The Issuing Officer may photograph and fingerprint every applicant and forward fingerprints to the California Bureau of Identification for search. A photograph of the applicant shall be affixed to the driver's identification card.

(g) The Issuing Officer or his representative may examine each applicant for an identification card as to such applicant's knowledge of the provisions of this chapter, traffic regulations and geography of the County, and if the results of the investigation mentioned in paragraph (b) above are satisfactory, the Issuing Officer shall approve the application and issue a driver's identification card to said applicant.

Section 10. San Diego County Code Section 21.313 is amended to read as follows:

Sec. 21.313. TAXICABS AND JITNEYS - DRIVER'S IDENTIFICATION CARD - FEE; TERM; AND RENEWAL.

(a) The fee for a taxicab and jitney driver's identification card shall be \$40, non-refundable and paid to the Sheriff at the time of application. If the card is issued it shall be valid for one calendar year from the date of issuance, unless sooner revoked. No period of suspension shall extend the term of such card.

(b) The identification card may be renewed within the 30 days prior to its expiration date by making application to the Sheriff. All provisions of the ordinance relating to an application for an original identification card shall apply to the application for renewal, except that the renewal fee shall be \$30.

Section 11. San Diego County Code Section 21.314 is amended to read as follows:

Sec. 21.314. EMPLOYMENT OF DRIVER - NOTICE. Once a week every vehicle operator shall notify the Sheriff of the name and driver's identification card number of each driver who becomes employed by such operator and each driver formerly employed by such operator and who leaves the operator's employment.

Section 12. San Diego County Code Section 21.315 is amended to read as follows:

Sec. 21.315. TAXICABS AND JITNEYS - DRIVER'S IDENTIFICATION CARD - ADDITIONAL REASONS FOR REVOCATION, SUSPENSION, DENIAL OF APPLICATION. In addition to the

reasons stated in the Uniform Licensing Procedure and subsections 21.312 (c) or (d), any person who is found by the Issuing Officer not to be a fit or proper person for the safe and lawful operation of a taxicab and/or jitney may have his identification card suspended or revoked or his application for driver's identification card denied by the Issuing Officer. No suspension shall be longer than six (6) months duration.

Section 13. San Diego County Code Section 21.316 is amended to read as follows:

Sec. 21.316. INSURANCE REQUIRED.

(a) It shall be unlawful for any person, firm, partnership or corporation doing taxicab and/or jitney business within the County to operate any taxicab or jitney unless there shall be filed with the Sheriff evidence of insurance coverage by a company authorized to carry on insurance business in the State of California. The evidence of insurance required before a taxicab and/or jitney operator's license can be issued shall insure the public against any loss or damage for which the operator is legally liable that may result to any person or property from the operation of any taxicab and/or jitney used by the operator.

(b) Such insurance shall cover all of the taxicabs and jitneys of each operator and shall have the same renewal date for each vehicle covered. For each taxicab and jitney covered by such insurance, the maximum amount of recovery shall not be less than the following sums:

(1) For the injury to any one person or the death of any one person in any one accident, \$100,000.

(2) For the injury to two or more persons or the death of two or more persons or the injury to one person or more and the death of one person or more in any one accident, \$300,000.

(3) For the injury or destruction of property in any one accident, \$50,000.

(c) The contract for such insurance coverage shall contain a provision that the Sheriff shall be notified at least 10 days prior to the effective date of a total or partial cancellation or other termination of such insurance.

Section 14. San Diego County Code Section 21.317 is amended to read as follows:

Sec. 21.317. TAXICABS AND JITNEYS - OPERATION, COLOR, TRADEMARK OR INSIGNIA.

(a) The operator shall have his vehicles painted a distinctive color or colors approved by the Sheriff and shall have permanently affixed to such vehicles a sign or mark indicating the name of the company or operator and the number of the vehicle, if more than one vehicle is operated by such operator.

(b) It shall be unlawful for any owner or operator to knowingly remove any identification or to knowingly paint or affix to any vehicle a color, name, make or number or combination thereof with the intention to deceive the public as to the identity of the operator of such vehicle or deceive the public as to the vehicle not being a taxicab or jitney.

(c) Each taxicab and jitney licensed by the Sheriff shall bear on the outside a medallion issued by and in the place prescribed by the Sheriff.

Section 15. San Diego County Code Section 21.319 is amended to read as follows:

Sec. 21.319. TAXICABS AND JITNEYS - OPERATIONS, FARES.

(a) Fares for services rendered by the taxicab and/or jitney operator shall be at rates posted in the vehicle.

(b) At the time of filing an application or whenever a new rate is established, every taxicab and jitney operator doing business in the County shall file with the Sheriff a true and correct statement of the rates to be charged for the transportation of passengers in all vehicles operated by said operator. Rates for vehicles shall be established for a period of not less than three (3) months. No taxicab or jitney rate change shall be effective until 14 days following the filing of said change.

(c) The rate schedule shall be conspicuously posted on the interior of all taxicabs as follows:

- (1) Flag drop rate--dollars and cents
- (2) Travel charge rate--dollars and cents per mile
- (3) Time charge rate--dollars and cents per minute

(d) Rates for jitney service shall be charged on the basis of one of the following:

- (1) Per capita
- (2) Per mile
- (3) Per zone

The rate schedule shall be conspicuously posted in dollars and cents on the interior of all jitney vehicles.

(e) A taximeter shall indicate the authorized fare for hire by means of figures in dollars and cents. Such figures under all conditions shall be easily readable by persons in the passenger compartment of the taxicab.

(f) It shall be unlawful for a passenger who has engaged taxicab or jitney service of an operator to refuse to pay the fare for such service.

(g) The taxicab or jitney operator or driver shall not request of a passenger a fare in excess of the posted rate. Such a demand by any operator or driver shall be grounds for the Sheriff to suspend or revoke the operator's license and permit and driver's identification card.

(h) All disputes as to fares shall be determined by the deputy in charge of the nearest Sheriff's office to the place where the dispute is had. It shall be unlawful for any person to fail or refuse to comply with the determination of the deputy.

(i) All taxicabs with the same color and trademark identification and/or which have the same dispatch number shall charge the same rates. All jitneys with the same color and trademark identification and the same route shall charge the same rates.

(j) Every taxicab and jitney operator, driver, and dispatcher shall state the rates in effect in any telephone or personal inquiry.

Section 16. San Diego County Code Section 21.320 is amended to read as follows:

Sec. 21.320. TAXICABS AND JITNEYS - DRIVER'S DUTIES.

(a) The taxicab and jitney driver, when operating a vehicle within the unincorporated area of the County of San Diego shall comply with all of the traffic regulations of the State of California and the County of San Diego.

(b) Any taxicab driver employed to transport passengers to a definite point shall take the most direct route possible that will carry the passenger to his destination safely and expeditiously.

(c) Every taxicab driver shall, upon the request of a passenger, give a receipt upon payment of the fare. The receipt shall indicate the beginning and ending points of the trip, the fare charged, the date, the operator's name, and the vehicle number, and shall be signed by the driver.

(d) No person shall solicit passengers for taxicabs other than the driver thereof, and then only when sitting upon the driver's seat of the vehicle, provided, however, that the Sheriff or his representative may authorize a dispatcher to solicit passengers as a system of loading of passengers at such times and places as in the Sheriff's discretion public service and traffic conditions require.

(e) No driver of any taxicab or jitney vehicle shall transport any larger number of persons including the driver than the manufacturer's rated seating capacity for the vehicle. Nor shall any driver carry any luggage exceeding the vehicle's storage volume or load-carrying capacity regardless of the number of passengers occupying the vehicle.

(f) The driver of any vehicle regulated by this code shall promptly obey all lawful orders or instructions of any peace officer, deputy sheriff, highway patrolman or fireman.

(g) It shall be unlawful for the driver or operator of any taxicab to allow the taxicab to remain standing in any established taxicab stand unless the driver or operator shall remain within twelve feet of any portion of the established cab zone, whether the zone be single or multiple zone, unless said driver or operator is actually engaged in assisting passengers to load or unload or is actually engaged in answering his telephone.

(h) The taxicab driver or operator shall not solicit passengers by driving back and forth in a space of less than 400 feet.

(i) No taxicab driver may knowingly pick up any person who has summoned a taxicab of a competitive taxicab company, and which person is unaware that the driver offering services is not representing the taxicab company which such person summoned.

(j) No taxicab driver shall carry in any taxicab which is engaged by a passenger any additional passenger unless the passenger who first engaged the taxicab consents to such carrying of additional passengers.

(k) No taxicab or jitney driver shall use or authorize the use of any vehicle for an illegal purpose.

(l) Each taxicab and jitney driver shall be responsible for affixing in a conspicuous place inside of his vehicle his driver's identification card complete with photo, and the permit issued for such vehicle.

(m) It shall be unlawful for the driver or operator of any taxicab or jitney to refuse a prospective passenger or to take any action to actively discourage a prospective passenger unless the driver believes that the prospective passenger may constitute a hazard to such driver.

(n) It shall be unlawful for the driver or operator of any taxicab or jitney to refuse a prospective passenger or to take any action to actively discourage a prospective passenger on the basis of race, creed, color, age, sex, handicap, or national origin.

(o) Violation of any of the provisions of this section shall constitute grounds for the immediate suspension or revocation of the driver's identification card.

(p) It shall be unlawful for any driver of a taxicab while carrying exclusive or group ride passengers to display the flag or device attached to the taximeter in such a position as to denote that the vehicle is for hire, or is not employed, or to have the flag or other attached device in such a position as to prevent the taximeter from operating; and it shall be unlawful for any driver to throw the flag into a position which causes the taximeter to record when the vehicle is not actually employed, or to fail to throw the flag or other device into a nonrecording position at the termination of each and every service.

Section 17. This ordinance is an urgency ordinance necessary for the immediate preservation of the public peace, health and safety within the meaning of Government Code Section 25123 and shall immediately go into effect. The facts constituting such necessity are:

1. Public use of jitneys can have positive impact on air pollution and energy problems.
2. Jitney services to medical, employment and shopping facilities are currently not being provided.
3. Holiday peak travel periods will occur shortly.
4. Operators have expressed a desire to begin service before the holiday period.

Section 18. Before the expiration of fifteen (15) days after its passage this ordinance shall be published once with the names of the members voting for and against the same in the San Diego Daily Transcript, a newspaper of general circulation published in the County of San Diego.

PASSED, APPROVED, AND ADOPTED this 18th day of November, 1980.

ROGER HEDGECOCK

Chairman of the Board of Supervisors of
the County of San Diego, State of California

The above ordinance was adopted by the following vote:

Supervisor Thomas D. Hamilton, Jr.	voting "Aye"
Supervisor Lucille V. Moore	voting "Aye"
Supervisor Roger Hedgecock	voting "Aye"
Supervisor Jim Bates	voting "Aye"
Supervisor Paul Eckert	voting "Aye"

ATTEST my hand and the seal of the Board of Supervisors this 18th day of November, 1980 (50)

PORTER D. CREMANS

Clerk of the Board of Supervisors

By Maria A. Tiscareno

Deputy

(SEAL)

DIVISION 6

(Added by Ord. No. 5200 (N.S.) Eff. 8-10-78)

CHAPTER 1

UNIFORM LICENSING PROCEDURE

Sec. 16.101. LICENSES REQUIRED. It shall be unlawful for any person, firm, or corporation to engage in, conduct, manage, or carry on any of the following businesses, practices, professions, or occupations within the unincorporated area of the County of San Diego without first having obtained a license therefor in accordance with the Uniform Licensing Procedure:

- (a) Amusement Establishment and Devices
- (b) Aircraft Ticket Brokers
- (c) Auction and Auctioneers
- (d) Bingo
- (e) Carnivals and Go-Cart Centers
- (f) Coupon Books, Distribution of
- (g) Dances and Dance Halls
- (h) Dances, Teenage
- (i) Entertainment
- (j) Female Entertainers
- (k) Firearms, Sale of
- (l) Junk, Automotive Wrecking,
Non-Operating Vehicle Storage Yards
- (m) Kennels
- (n) Massage Establishment
- (o) Massage Technician
- (p) Massage Technician Trainee
- (q) Outdoor Assemblage
- (r) Second Hand Dealers
- (s) Shooting Ranges
- (t) Solicitations
 - (1) Solicitors
 - (i) License
 - (ii) Identification Card
 - (2) Charitable Solicitations
 - (i) License
 - (ii) Information Card
- (u) Street Patrols
- (v) Swap Meets and Swap Lots
- (w) Taxicabs - Taxicab Driver
 - (1) Operator's License
 - (2) Driver's Identification Card
- (x) Jitneys - Jitney Driver
 - (1) Operator's License
 - (2) Driver's Identification Card

(Amended by Ord. No. 5307 (N.S.) Eff. 12-21-78) (Amended by Ord. No. 5493 (N.S.) Eff. 5-24-79) (Amended by Ord. No. 5931 (N.S.) Eff. 11-18-80) (Ord. No. 5938 (N.S.) adopted 11-25-80, effective 12-25-80, supersedes Ord. No. 5931)

Sec. 16.102. ISSUING OFFICER. All licenses issued shall be issued by the issuing officer, who, in the case of licenses for kennels shall be the Department of Animal Control and in all other cases the Sheriff.

Sec. 16.103. LICENSING PROCEDURE - APPLICATION. Application for a license shall be made to the issuing officer on forms provided by the issuing officer. Said application shall contain a provision by which the applicant consents to having all required notices, unless otherwise specified, sent by mail to applicant's address on the application by depositing the same in the United States mail postage prepaid.

Sec. 16.104. LICENSE NOT TRANSFERABLE. Such license shall not be transferable from person to person nor place to place.

Sec. 16.105. LICENSE FEE. The fee established for any license shall defray the cost of investigation and issuance of said license. In the event said license is for any reason whatsoever denied or in any event not obtained by the applicant, the fee paid shall not be refunded to the applicant. Fees shall be reviewed annually so as not to be excessive.

Sec. 16.106. LICENSE RENEWAL. Unless otherwise specified any license issued shall expire a year from the date of issue and may be renewed by filing a renewal application not less than thirty (30) days prior to expiration date. (Amended by Ord. No. 5290 (N.S.) Eff. 11-30-78)

Sec. 16.107. POSTING OF LICENSE. All licenses issued for business establishments must be posted in a conspicuous place on the licensed premises.

Sec. 16.108. APPLICATION INVESTIGATION. (a) Upon receipt of an application for a license the issuing officer may send copies of such application to any office or department which the issuing officer may deem appropriate in order to carry out a proper investigation of the applicant or his proposed business.

(b) Every officer or department to which an application for a license is referred may request from the issuing officer that additional information be obtained from the applicant relating to the proposed license as such officer or department deems necessary.

(c) The issuing officer and every officer or department to which an application is referred shall investigate the truth of the matters set forth in the application, the character of the applicant as it relates to doing business under said license and may examine the premises proposed to be used for said business.

(d) Upon receipt of an application the Issuing Officer shall post for a period of ten (10) days the name and business address of the applicant, the type of license applied for, whether the application is for a new license or for the renewal of an existing license, and the fact that any interested member of the general public can submit information regarding the issuance of the license. Such information shall be delivered to the office of the Issuing Officer within five (5) days of the last day of posting. The names and business addresses of applicants shall be posted in the office of the Issuing Officer.

Sec. 16.109. APPLICATION DENIAL. The Issuing Officer may deny an application for a license, if he finds the applicant or any agent or representative thereof has:

(a) Knowingly made any false, misleading or fraudulent statement of a material fact in the application or in any record or report required to be filed under this ordinance, or

(b) Violated any of the provisions of this chapter or any provisions of any other ordinance or law relating to or regulating said business or occupation, or

(c) Been convicted of a crime, the nature of which indicates the applicant's unfitness to operate the proposed business. A plea or verdict of guilty, a finding of guilty by a court in a trial without a jury, a plea of nolo contendere, or a forfeiture of bail is deemed a conviction.

If after investigation the Issuing Officer determines that the application should be denied he shall prepare a notice of denial of application setting forth the reasons for such denial of application. Such notice shall be either sent by mail to the applicant's last address provided in the application or be personally delivered. Any person who has had an application for a license denied may request a hearing from the Issuing Officer. Such request must be made in writing and filed with the Issuing Officer within ten (10) days of personal delivery of the notice of denial. If the notice of denial is mailed, applicant has an additional five (5) days to request a hearing. The Issuing Officer shall notify the applicant of the time and place of such hearing and the hearing shall be conducted in the manner prescribed in this chapter. The applicant shall also be entitled to the appeal provisions of this chapter following the hearing before the Issuing Officer.

If the license is granted the name and business address of the licensee shall be available to any interested member of the general public for the duration of the license. (Amended by Ord. No. 5290 (N.S.) Eff. 11-30-78)

Sec. 16.110. LICENSE SUSPENSION OR REVOCATION. In the event that any person holding a license issued pursuant to this chapter shall violate or cause or permit to be violated any of the provisions of this chapter, or any provisions of any other ordinance or law relating to or regulating said business or occupation, or shall conduct or carry on such business or occupation in an unlawful manner, or for any reason for which the license application could have been denied, the Issuing Officer may, in addition to other penalties provided by ordinance, suspend or revoke the license after the licensee has been given the opportunity for a hearing as provided for in this chapter.

The issuing Officer shall post for a period of ten (10) days the name and business address of any person receiving a notice of suspension or revocation along with the fact that any interested member of the general public can submit information regarding the proposed suspension or revocation. Such information shall be submitted in writing and shall be delivered to the office of the Issuing Officer within five (5) days of the last day of posting. The names and business addresses shall be posted in the office of the Issuing Officer. (Amended by Ord. No. 5290 (N.S.) Eff. 11-30-78)

Sec. 16.111. HEARINGS - ISSUING OFFICER. In any case where the Issuing Officer determines that a license issued pursuant to this chapter should be suspended or revoked, the Issuing Officer shall prepare a written notice of suspension or revocation, which includes a statement of the proposed action, a concise explanation of the reasons for the proposed action, the statutory basis relied upon for such proposed action, and an explanation of the licensee's right to request a hearing from the Issuing Officer. Such notice shall be sent by certified mail to the licensee's last address provided in the application or be personally delivered, at least ten (10) days prior to the effective date of such action. If within five (5) days after receipt of such mailing or delivery the licensee or an authorized representative requests in writing a hearing from the Issuing Officer, the Issuing Officer shall immediately set a hearing and shall set forth in writing and send to the licensee by means of the mail or hand delivery, notice of the time, date and place of such hearing. The hearing shall be held not more than thirty (30) days from the date of receipt of said request for hearing. The hearing shall be conducted by a hearing officer designated by the Issuing Officer. The person designated as hearing officer shall not have been connected in any manner in the decision to take the proposed action which is the subject of such hearing. No hearings shall be continued except upon a showing of good cause.

The hearing shall be conducted to determine the existence of any facts which constitute grounds for the suspension or revocation of the license. The licensee may have the assistance of counsel or may appear by counsel and shall have the right to present evidence. In the event that the licensee, or counsel representing the licensee fails to appear at the hearing, the evidence of the existence of facts which constitute grounds for the suspension or revocation of the license shall be considered un rebutted. The decision of the hearing officer shall be based solely on the evidence presented at the hearing. Upon conclusion of the hearing, the hearing officer will give a verbal decision; provided, however, that in the discretion of the hearing officer, the decision may be delayed and given in writing within two days. In any case where a verbal decision is given at the close of the hearing, the hearing officer shall confirm that decision in writing within two days. The written decision shall set forth the findings of fact and the reasons for the decision and a copy mailed to the licensee or an authorized representative. The decision of the hearing officer shall be posted in the office of the Issuing Officer for a period of five (5) days along with the available procedures for appeal. A hearing held under this section or the failure of the licensee to request such a hearing or to appear at the scheduled time for such hearing in no way deprives the licensee of the right to appeal as provided for in this chapter.

Sec. 16.112. STAY OF SUSPENSION OR REVOCATION. The effect of a decision of the hearing officer to suspend or revoke a license shall be stayed while an appeal to the Board of Supervisors is pending or until the time for filing such appeal has expired. There shall be no stay of the effect of the decision of the hearing officer upholding the denial of any license.

Sec. 16.113. EXCEPTION TO HEARING PROCEDURE. When, in the opinion of the Issuing Officer, there is an immediate threat to the public health, welfare or safety, the officer may suspend a license without a hearing. The Issuing Officer shall prepare a written notice of suspension, which includes a statement of the action, a concise explanation of the reasons for the action, the statutory basis relied upon for such action, and an explanation of the licensee's right to request a hearing from the Issuing Officer. Such notice shall be either sent by certified mail to the licensee's last address provided in the application or be personally delivered. The licensee may request a hearing from the Issuing Officer within five(5) days of receipt of notification that the license has been suspended. The Issuing Officer shall notify the licensee of the time and place of such hearing and the hearing shall be conducted in the manner prescribed in this chapter.

The hearing shall be held not more than thirty (30) days from the date of receipt of said request for hearing. Following the hearing the person affected may appeal the decision in the manner prescribed in this chapter. The decision shall not be stayed during pendency of such hearing or appeal.

Sec. 16.114. APPEAL. Within ten (10) days after receipt of the decision of the hearing officer, any party affected by the decision may appeal such decision by filing with the Clerk of the Board of Supervisors a written appeal briefly setting forth the reasons why such denial, suspension, revocation or other decision is not proper.

Upon receipt of such written appeal, the Clerk of the Board of Supervisors shall assign the appeal to a hearing officer selected by the Clerk on a rotating basis from a list of qualified hearing officers approved by the Board of Supervisors. The hearing officer so assigned shall schedule a date for hearing within ten (10) days after the date of assignment of the appeal by the Clerk. The hearing shall be held not more than thirty (30) days from time of assignment by the Clerk to the hearing officer. At least ten (10) days prior to the date of the hearing on the appeal the Clerk shall notify the appellant and Issuing Officer of the date and place of the hearing. The Clerk of the Board shall also have posted in the office of the Issuing Officer the time and place set for the appeal for a period of five (5) days prior to the date of such appeal. The hearing officer is authorized to issue subpoenas, to administer oaths and to conduct the hearing on the appeal. At such hearing the Issuing Officer and the appellant may present evidence relevant to the denial, suspension, revocation or other decision of the Issuing Officer. The hearing officer shall receive evidence and shall rule on the admissibility of evidence and on questions of law. At the hearing any person may present evidence in opposition to, or in support of, appellant's case.

At the conclusion of the hearing, the hearing officer may uphold the denial, suspension, revocation or other decision of the Issuing Officer, or the hearing officer may allow that which has been denied, reinstate that which has been suspended or revoked, or modify or reverse any other Issuing Officer's decision which is the subject of the appeal. The hearing officer shall, within five (5) days of the announcement of a decision, file with the Clerk of the Board of Supervisors written findings of fact and conclusions of law and the decision. The decision of the hearing officer is final when filed with the Clerk.

Sec. 16.115. EVIDENCE. (a) Oral evidence shall be taken only on oath or affirmation.

(b) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called the witness to testify; and to rebut the evidence against the party. If respondent does not testify in his own behalf, the respondent may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions, hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions and irrelevant and unduly repetitious evidence shall be excluded.

(d) The hearing shall be conducted in the English language. The proponent of any testimony to be offered by a witness who does not proficiently speak the English language shall provide an interpreter, approved by the hearing officer conducting the proceeding as proficient in the English language and the language in which the witness will testify, to serve as interpreter during the hearing. The cost of the interpreter shall be paid by the party providing the interpreter. The Board of Supervisors may compile and publish a list of interpreters known to be proficient in various languages. Any person whose name appears upon such list shall be deemed to be approved by the hearing officer hearing the case.

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SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 955

AN ORDINANCE AMENDING ARTICLE 5
OF THE SAN DIEGO UNIFIED PORT DISTRICT CODE

The Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. Article 5 of the San Diego Unified Port District Code is hereby amended by amending Sec. 5.90, Sec. 5.91, Sec. 5.92 and 5.93 to read as follows and by adding thereto new sections to be numbered Sec. 5.94 and Sec. 5.95 to read as follows:

• "SEC. 5.90 - SAN DIEGO INTERNATIONAL AIRPORT -
GROUND TRANSPORTATION SERVICE

"No person shall operate a taxicab, vehicle for hire, scheduled ground transportation service, hotel courtesy vehicle or any other ground transportation service for hire over and upon the non-dedicated private streets within the San Diego International Airport for the transportation of persons and baggage from said Airport without first having obtained a permit from the District authorizing such transportation service, which permit has not been revoked, suspended or otherwise cancelled or terminated by operation of law or otherwise. A separate permit is required for each vehicle operated.

"SEC. 5.91 - GROUND TRANSPORTATION SERVICE
PERMITS

"(a) The Port Director may issue permits authorizing ground transportation service for the transportation of persons and their baggage from said Airport by taxicabs, hotel courtesy vehicles, vehicles for hire and vehicles operating pursuant

to a valid Certificate of Public Convenience and Necessity from the Public Utilities Commission of the State of California. Each said permit authorizes one (1) vehicle only. Every permit shall be subject to the regulations provided herein and every person operating any vehicle engaged in providing said services shall comply with said regulations.

"(b) Except as provided in Section 5.91 (a), above, no person shall engage in operating any ground transportation service from the Airport, including without limitation by a paratransit vehicle defined and authorized by the City of San Diego, Municipal Code § 75.0101 et seq., provided, further, the Board of Port Commissioners reserves the right to authorize any type of ground transportation service subject to the regulations provided herein and any other terms and conditions as determined by the Board.

'SEC. 5.92 - GROUND TRANSPORTATION SERVICE REGULATIONS

"(a) Permit Authority

"An authorized valid permit is permission for the person to whom it is given, including said person's employee, driver or agent, to transport, by the vehicle to which said permit is affixed, passengers and their baggage on a non-exclusive basis, over and upon the non-dedicated private streets within the Airport, including picking up and discharging passengers who are using the terminal buildings at such stands and zones in accordance with vehicle standing time limits as established and designated by the Port Director from time to time.

"(b) Term and Fee

"A permit may be issued for a calendar year commencing January 1st and shall not exceed a term of One (1) Year. In the event a permit is issued during the first Six (6) months of any calendar year, the fee shall be the full annual fee. If such permit is issued during the last Six (6) months of any calendar year, the fee therefor shall be one-half (1/2) of the annual fee. Irrespective of the date of issuance of any permit, every permit shall expire December 31st of the year in which it is issued, unless sooner terminated, suspended, revoked or cancelled. No permit shall be extended nor shall any permit be renewed. Each permit authorizes one (1) vehicle only. The annual fee for each permit shall be as follows:

"1. Two Hundred Dollars (\$200.00) for each taxicab which shall first be authorized by the City of San Diego pursuant to its Municipal Code.

"2. Two Hundred Dollars (\$200.00) for each hotel courtesy vehicle which is operated by the owner or operator of a hotel or an employee, agent or representative of the owner or operator of a hotel, for the transportation of persons and their baggage between the Airport and said hotel, for which no charge, fee or compensation is required of any person utilizing such transportation service.

"3. Two Hundred Dollars (\$200.00) for each other vehicle.

"(c) Identification

"A person operating a vehicle shall have and be in possession of a valid certificate or permit from the appropriate

municipal or State governmental authority, a valid drivers license issued by the State of California, any required identification card, and have affixed to the vehicle at the right bottom corner of the windshield a valid permit issued by the District.

"(d) Vehicle Condition

"A vehicle shall not be driven on the Airport unless it is in safe operating condition and in good repair. Its lighting equipment shall be in good working order; there shall be no cracked or broken windshields, windows or mirrors; the muffler and exhaust system shall be adequate to prevent excessive or unusual noise and shall not emit excessive smoke, flame, gas or oil; and the body, grill, bumper and other exterior shall not be bent or damaged other than for minor dents. The vehicle shall be maintained in a clean condition both with regard to the interior and exterior. In vehicles required to have taximeters, it is the responsibility of the person driving it to make certain that the taximeter is in proper recording position at all times; that the meter reading is visible to any passenger; and that the meter light is burning during hours of darkness.

"(e) Pickup Areas

No person shall stop, park or stand any vehicle while awaiting any passenger or employment at any location on Airport property other than at an authorized stand or zone. Passenger pickups shall take place only at designated stands and zones after following authorized procedures and within vehicle standing time limits. The above rules may be waived for handicapped passengers. No person shall solicit any customer's patronage in any manner while on

Airport property or in an Airport terminal building. Nothing herein precludes using the public parking lot and paying the fee therefor.

"(f) Taxicabs

"A person operating a taxicab shall, in addition to all other regulations, comply with the following regulations:

"1. A taxicab shall use only the taxicab line and the taxicab stand, which line and stand shall be designated by the Port Director. Taxicab line means an area on the Airport designated by sign or other suitable means which is reserved for taxicabs only while waiting to advance in turn to a vacancy at the taxicab stand. Taxicab stand means an area on the Airport likewise so designated and reserved for parking of taxicabs only while waiting to pick up passengers for hire.

"2. Upon entry in the Airport without passengers or after discharging passengers at the Airport, the taxicab shall proceed directly to the taxicab line or immediately leave the Airport. Picking up any passengers for hire after or while leaving off any other passenger without proceeding through the taxicab line and stand is prohibited. Notwithstanding the above sentence, a taxicab need not proceed through the taxicab line and stand to carry immediately from the Airport a passenger or luggage picked up in response to a prior request if the driver's manifest shows the time the request was made, the name of the person to be picked up and the time. Said taxicab shall use the public parking lot and pay the applicable fee on such occasions.

"3. A taxicab occupying the position at the head of the taxicab stand shall accept only the passengers who engage the vehicle for hire.

"4. Notwithstanding any other regulation, any prospective passenger may select for hire any taxicab, wherever located at the taxicab stand.

"5. The operator of each taxicab in the taxicab line shall at all times, until engaged for hire, remain in the driver's seat at the wheel of the vehicle or outside and within close proximity of the vehicle, except in case of emergency or personal necessity.

"6. The operator of each taxicab at the taxicab stand shall at all times, until engaged for hire, remain in the driver's seat at the wheel of the vehicle, however, when engaged for hire, the operator may assist a passenger and load baggage into the vehicle. In case of an emergency or personal necessity, the operator may leave a taxicab which is at the taxicab stand.

"7. After a taxicab is driven from the taxicab stand, each vehicle at its rear shall at once be moved toward the head of the taxicab stand, and the taxicab at the head of the taxicab line shall be moved forward to occupy the vacancy in the taxicab stand. Likewise, each vehicle to the rear in the taxicab line shall be moved toward the head of the taxicab line.

"8. No owner or operator of a taxicab shall at any time while at the Airport by words, gesture or otherwise, solicit, persuade or urge or attempt to solicit, persuade or urge any person to use or hire any taxicab.

"(g) Duty to Transport Passengers

"The person operating the vehicle shall not refuse to transport any passenger, including baggage, requiring transportation and shall take all passengers to their requested destination using the more direct available route on all trips unless otherwise specifically requested by the passenger, provided, however, nothing herein shall require any person to provide a ground transportation service contrary to either any municipal or State permit or certificate regarding ground transportation or its District authorized permit. Furthermore, a person is not required to transport such passengers when such person has already been dispatched on another call; when the passenger appears to be under the influence of intoxicating liquor, a disorderly person, or a person who may cause the vehicle to become damaged, stained or foul smelling; or a person requiring the use of a litter or stretcher.

"(h) Non-Discrimination

"In providing ground transportation services at the Airport, no person shall discriminate against any person or class of persons by reason of sex, color, race, creed or national origin. The accommodations and services shall be made available to the public on fair and reasonable terms.

"(i) Non-Transferable

"A permit shall not in any manner, directly or indirectly, by operation of law or otherwise, be assigned, hypothecated, transferred or encumbered in whole or in part.

"(j) Fares and Receipts

"No person shall collect, demand, receive or arrange for any compensation in an amount greater or less than that approved or allowed by the appropriate fare setting governmental agency or commission for the ground transportation service provided, provided further that there shall be no fare or charge to the passenger by a hotel courtesy vehicle. Upon request, said person shall give a passenger making payment a receipt showing the amount of fare paid, the person's correct name and correct vehicle license number and District permit number.

"(k) Conformance with Laws

"Any authorized ground transportation service shall be provided in conformance and obedience of (1) any and all rules and regulations now in force or which hereinafter are changed, added or adopted by the District for operation of the Airport, and (2) any and all laws, ordinances, statutes, rules, regulations, orders, permits or certificates from any governmental authority, municipal, State or Federal, lawfully exercising authority over such person given a District permit, including said persons, employees, drivers and agents, or lawfully exercising authority over the Airport.

"SEC. 5.93 - SUSPENSION AND TERMINATION OF GROUND TRANSPORTATION PERMITS AND SERVICES

"(a) The Port Director shall, as provided below, and subject to subsection (f) hereof, suspend or revoke (1) the present permit and use of the vehicle to which it is affixed of any person, and (2) the particular person who operated said vehicle, whether it be the person to whom a permit is

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issued or an employee or driver thereof, upon receipt of a court record or duly certified abstract of the record of any court showing that said person, employee or driver has been convicted for violation of any provisions of Sections 5.90, 5.91, 5.92, 5.93 or 5.94 of this Code pertaining to Airport ground transportation services. A notice of suspension or revocation and the dates thereof shall be mailed to the last known address of said person and no hearing shall be required. The commencement date of any such suspension or revocation shall be after receipt of said record or certified abstract by the Port Director and within Ten (10) Days (or as soon as practicable thereafter) after the time for appeal has elapsed or judgment of conviction has been affirmed on appeal.

"1. Upon the first conviction, the suspension shall be for a period of Ten (10) Days.

"2. Upon Two (2) convictions within any period of Twenty Four (24) Months, the suspension shall be for a period of Sixty (60) Days.

"3. Upon Three (3) convictions within any period of Thirty Six (36) Months, the suspension shall be for a period of One (1) Year and the permit shall be revoked and not reinstated.

"(b) It shall be unlawful for any such convicted person to operate any ground transportation service vehicle at the Airport providing any said ground transportation from the Airport during the period of any suspension or revocation.

During any said period such convicted person shall not be entitled to any permit to provide any such ground transportation.

"(c) No person shall use the vehicle to which said suspended or revoked permit is affixed to provide any ground transportation service from the Airport during the period of any suspension or revocation.

"(d) Violation of any provisions of Sections 5.90, 5.91, 5.92, 5.93 and 5.94 shall constitute an infraction. For purposes of these sections, a plea of nolo contendere or a plea of guilty or judgment of guilty or a forfeiture of bail constitutes a conviction for violation of any said sections.

"(e) Whenever any person, after applying for a permit, acquires an address different from the address previously given the District, said person shall within Ten (10) Days thereafter notify the District of the old and new address. Notice of an alleged violation of these regulations shall be mailed to the address in the District records of the permit holder of the vehicle involved, unless the permit holder was the operator of said vehicle.

"(f) Within Ten (10) Days after a conviction, the person who is the permit holder or the operator of the vehicle, or both, may file a written request with the District Clerk setting forth the reasons why there should be no suspension or termination. If no request is filed within that time, the Port Director shall proceed with the suspension or termination as provided in Sections 5.93 (a) 1, 2 and 3, above. When a request is timely filed, suspension and termination shall be as provided hereafter in this subsection (f). A timely filed request shall be placed on the agenda of a meeting

of the Board of Port Commissioners and notice of the time, place and date of such meeting shall be given to the person filing the request. No oral testimony shall be permitted at that meeting. The request from the person who is the permit holder may be considered and decided separately or differently from that of the operator of the vehicle who violated the Code even though the item on the agenda may include both and may be disposed of at the same time. The decision of said Board may be either to review or not to review any particular request. A decision to review any request shall require Four (4) affirmative votes of said Board. If there are Four (4) affirmative votes to review a request, it shall be scheduled for a subsequent Board agenda and a date certain so that a final decision may be made regarding suspension or termination, if any, which in no event shall exceed the limits specified in Sections 5.93 (a) 1, 2 and 3. If said Board declines to review a request (i. e., there are not Four [4] affirmative votes to review the request), the Port Director shall thereafter immediately proceed with the suspension or termination as provided in Section 5.93 (a), above. There shall be no reconsideration of any decision of said Board.

"SEC. 5.94 - GROUND TRANSPORTATION PERMIT - EXCEPTION

"(a) No ground transportation permit shall be required for the operation of ground transportation services for the transportation of persons and baggage from the Airport by any governmentally-owned public transportation system.

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Ord. 955

"(b) No permit shall be required for the transportation of persons and baggage from the Airport by a charter vehicle. A charter vehicle shall be defined as a vehicle operated for the transportation of passengers pursuant to a charter party agreement or contract other than a taxicab, vehicle for hire or hotel courtesy vehicle, and providing that all persons transported by such charter vehicle shall be members of the same group or organization, or shall be passengers destined for the same location or event. In addition, such charter vehicle shall not operate on a fixed schedule, but shall be limited to the single movement of a single group or class of passenger for which no fee, charge or compensation shall be required or paid by any person utilizing such transportation, except when such fee, charge or compensation is paid by a single person or organization for all passengers on any one trip, or where such fee, charge or compensation has been prepaid by such passenger as part of a package tour or excursion.

"SEC. 5.95 - GROUND TRANSPORTATION SERVICES - SEVERABILITY

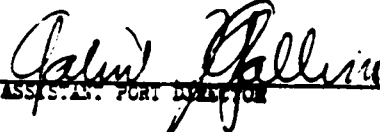
"If any provision of Sections 5.90 through 5.94, inclusive, of this Code or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of said Sections which can be given effect without the invalid provisions or application and to this end the provisions of said Sections are severable."

Ord. 955

Section 2. The San Diego Unified Port District Code is hereby amended in accordance with said Sec. 5.90, Sec. 5.91, Sec. 5.92 and Sec. 5.93 and by adding Sec. 5.94 and Sec. 5.95 to Article 5 of said Code, and by incorporating therein the provisions of Section 1, above, of this ordinance.

Section 3. This ordinance shall take effect on the 31st day from its publication.

Presented By: DON L. NAY, Port Director

By 
ASSIS. DIR. PORT DISTRICT

Approved: JOSEPH D. PATELLO, Port Attorney



sw
2/2/82

APPENDIX D: REPORT OF NEW TECHNOLOGY

A thorough review of the work performed under this contract has revealed no significant innovations, discoveries, or inventions at this time. In addition, all methodologies employed are available in the open literature. The findings in this document, however, do represent new information and should prove useful throughout the United States in designing and evaluating future taxi regulatory revisions.