

2015 Taxicab Rate Review: Staff Recommendation

**Transportation Advisory Commission
August 18, 2015**

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Staff Recommendation

- ▶ Staff recommends **no change** in rates in 2015
 - ▶ Keep initial charge (drop fee) at \$3.50
 - ▶ Keep per-mile charge at \$2.16 (\$0.36 per 1/6th mile)

Taxicab Industry in Fairfax County

- ▶ Industry provides both on-demand and contract transportation services
- ▶ Current fleet information:
 - ▶ Five authorized operators (companies)
 - ▶ 654 taxicab certificates
 - ▶ 45 wheelchair-accessible certificates
 - ▶ Code requirement of 4% WAC taxis (= 26 cabs)
 - ▶ Over 770 licensed drivers

Taxicab Rates

- ▶ DCCS conducts annual rate reviews
- ▶ Fairfax County Code governs taxi rate changes
 - ▶ Code allows for rate change petitions – but none filed in 2015
 - ▶ A rate change requires public hearings before both Consumer Protection Commission and Board of Supervisors
 - ▶ Code standard for assessing whether a rate change is warranted: *change in taxicab price index since last adoption of rates, plus or minus two percent*

Fairfax County Taxicab Price Index

Section 84.1-6-2(d)

Cost Element	BLS Index	Weight
Salaries, wages and profits	Consumer Price Index	0.62
Vehicle purchase	New cars	0.14
Fuel	Motor fuel	0.11
Insurance and other	Other private transportation services	0.08
Maintenance, parts and equipment	Private transportation maintenance and repairs	0.05
TOTAL COMPOSITE INDEX		1.00

FCTIPI Weighted Change

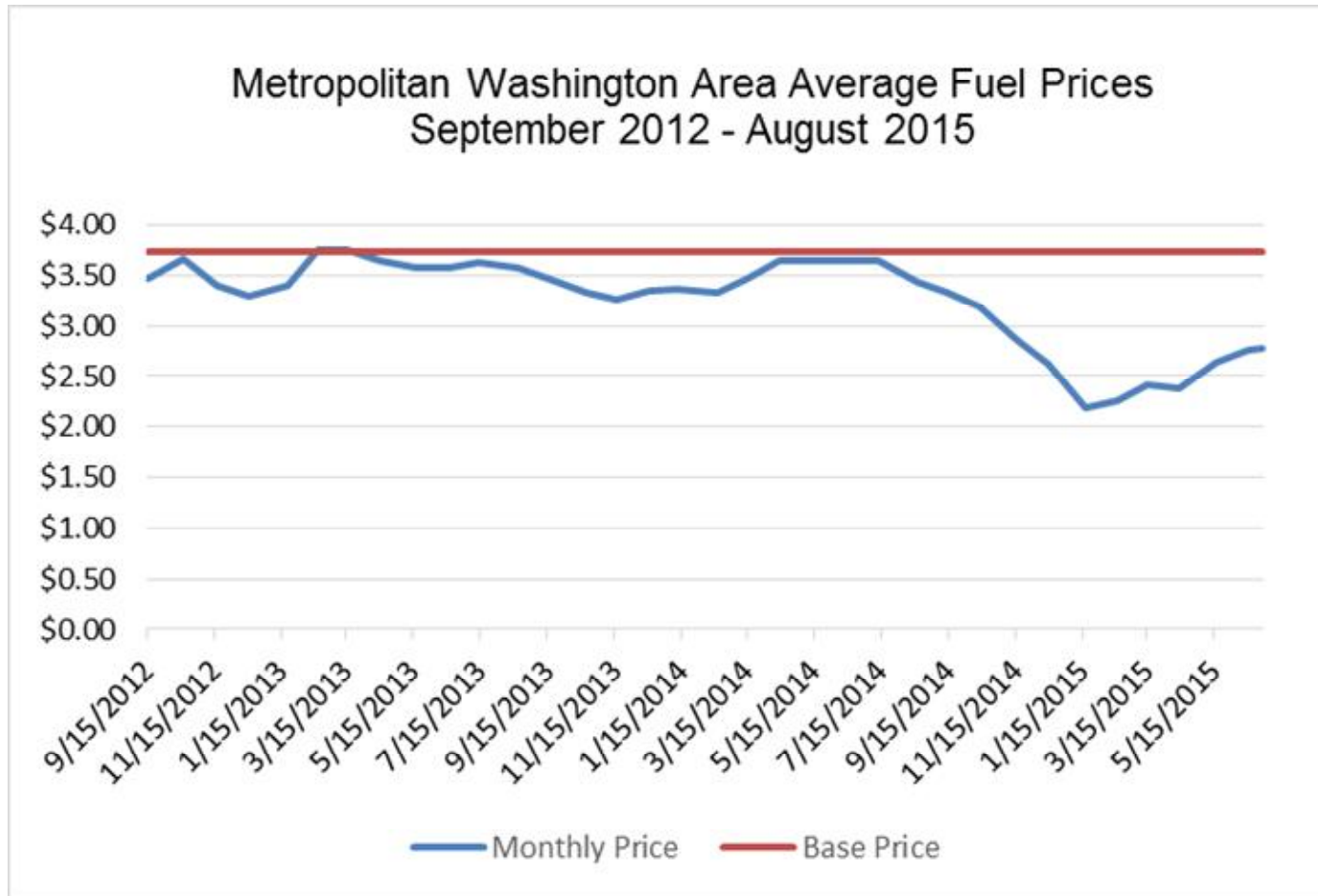
November 2014 – June 2015

Criteria	% Change	x	Weight	=	Weighted Change
Consumer Price Index	1.1%	x	0.62	=	0.68%
New cars	0.9%	x	0.14	=	0.13%
Motor fuel	-3.1%	x	0.11	=	-0.34%
Other private transportation services	0.3%		0.08	=	0.02%
Private transportation maintenance and repairs	1.0%	x	0.05	=	0.05%
TOTAL PRICE INDEX CHANGE					0.54%
FCTIPI \pm 2% = -1.5% to 2.5%					

Evaluation Factors

- ▶ County Code: change in FCTIPI since rates last adopted, plus or minus 2%
 - ▶ **FCTIPI result = 0.5%**
 - ▶ Adjustment of $\pm 2\%$ = range of -1.5% to 2.5%
- ▶ Other factors considered
 - ▶ Trends in gasoline prices
 - ▶ Driver licensing rates
 - ▶ Regional taxicab rate comparison
 - ▶ Competition from TNCs

Gasoline Price Trends: 2012-2015



Driver Licensing Rates

- ▶ Continuing interest in taxi driver (hack) licenses, despite FY2015 decline in both new licenses and renewals

Year	New Licenses	License Renewals	Total Licenses	Percent Renewal
FY2015	104	673	777	80%
FY2014	119	720	839	92%
FY2013	93	689	782	80%
FY2012	185	672	857	86%
FY2011	91	694	785	90%
FY2010	113	654	767	83%

Regional Regulated Rate Comparison

	City of Alexandria	Arlington County	Fairfax County	Washington Flyer	District of Columbia	Montgomery County
Drop Charge	\$3.36	\$2.75	\$3.50	\$3.50	\$3.25	\$4.00
1st Mile	\$5.16	\$4.50	\$5.30	\$5.12	\$5.14	\$5.50
Each Add'tl Mile	\$2.16	\$2.10	\$2.16	\$2.16	\$2.16	\$2.00
Average 7-Mile Fare	\$18.12	\$17.10	\$18.26	\$18.08	\$18.10	\$17.50



Competition from TNCs

- ▶ Virginia established regulatory framework for TNCs in 2015
 - ▶ No local oversight of TNCs
- ▶ TNCs enjoy pricing flexibility that regulated companies do not
 - ▶ “Surge pricing” helps balance supply and demand
- ▶ Data regarding TNC impact on regulated taxi companies not available

Comparison: Taxi vs. Uber Options

	Fairfax County	UberX	Uber XL	Uber Black
		<i>Non-Surge Pricing</i>		
Base Fare	\$3.50	\$2.00	\$4.00	\$7.00
Per Mile	\$2.16	\$1.02	\$2.50	\$3.40
Per Minute	--	\$0.20	\$0.35	\$0.40
1st Mile	\$5.30	\$3.02 + time	\$6.50 + time	\$10.40 + time
Average 7-Mile Fare	\$18.26	\$9.14 + time	\$21.50 + time	\$30.80 + time

Notes about Fairfax County regulated fares:

- ▶ Base fare, or drop charge, includes first 1/6th of a mile.
- ▶ When traffic is traveling less than 10 miles per hour, driver may charge either the mileage fee or a waiting charge of \$0.36 per 61 seconds.

Staff Recommendation

- ▶ Rates have increased 8.2% since 2012
 - ▶ 3.5% (2014) + 4.7% (2012) = 8.2%
- ▶ Staff recommends **no change** in rates in 2015
 - ▶ Keep initial charge (drop fee) at \$3.50
 - ▶ Keep per-mile charge at \$2.16 (\$0.36 per 1/6th mile)

QUESTIONS?

