



Traffic Engineering Division

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Date: April 23, 2025
To: Transportation Commission Members
From: Yang Tao, City Traffic Engineer
Subject: 2025-2027 Taxicab Operator And Specialized Transportation License Renewals

OVERVIEW

The following taxicab companies applied to renew their operator licenses: Affiliated Carriage Systems, Inc. DBA Madison Taxi; First Student, Inc.; Transit Solutions, Inc.; Union Cab of Madison Cooperative. There are no new taxicab operator license applicants.

In accordance with the criteria articulated in Madison General Ordinances, Traffic Engineering staff investigated of taxicab operators. The companies were required to answer a series of written questions. The written questions were developed based on: relevant ordinances; complaints received by the Traffic Engineering Division in 2023 and 2024; and lastly, current public safety and service issues associated with the taxicab industry.

All companies were asked about vehicle maintenance, driver rest periods, customer/driver complaints, driver/passenger safety, operations, taxicab rates, refusal of service, and financial results.

Also, Traffic Engineering staff used DMV records to make sure the fleet information provided by applicants is accurate and all vehicles are currently registered.

Lastly, the applicants submitted financial and statistical data from 2023 and 2024 in annual surveys (attached). These surveys included information about passengers, profits, crashes, complaints and other data.

INDIVIDUAL COMPANY INVESTIGATIONS

Affiliated Carriage Systems (DBA Madison Taxi)

Type of Service: Madison Taxi operates a corporately owned, metered taxi operation.

Customer Complaints: Madison Taxi had no complaints filed with the City in 2023 and two in 2024. Both complaints were for late/no show rides. In 2024, Madison Taxi had 1 complaint. A parent alleged that another student was bullying her child, and the cab driver did nothing. Madison taxi contacted the parent and spoke with the driver to resolve the situation. The

narrative of the incident varied between the child and the driver. Madison worked with the driver to improve relationship/communication skills and believes that these types of complaints are often the result of miscommunication

Vehicle Registration: With the help of Madison Taxi management, City Staff was able to reconcile registration discrepancies in the list of vehicles initially provided by the company.

Rates: No changes in this period.

Comments: Management decided not to raise rates despite growing costs to remain competitive against other companies. Madison rates are significantly lower than its direct competitor. The Company would like the City to lobby against unfair transportation network companies (TNCs: Uber and Lyft). TNCs are largely unregulated and have taken over the most revenue generating types of transportation services (Airport rides, UW sports, late night and weekend rides). Taxi queue up at airport queue and often are unable to pick up passengers as they have already been picked up by TNCs in front of airport.

First Student

Type of Service: First Student is a privately-owned specialized transportation service providing services to Madison Metro and local school districts. Madison Metro requires that each of its paratransit contractors be licensed by the City as a specialized transportation operator.

In 2024; First Student, Inc. purchased Badger Bus and in April 2024 was granted a Specialized Transportation License and assumed the services previously provided by First Student.

Customer Complaints: None reported.

Vehicle Registration: The fleet information was reviewed and found accurate.

Rates: Rates are contractually set with Metro.

Transit Solutions

Type of Service: Transit Solutions is a privately-owned specialized transportation service providing services to Madison Metro. Madison Metro requires that each of its paratransit contractors be licensed with the City as a Taxicab operator.

Customer Complaints: None reported.

Vehicle Registration: With the help of Transit Solutions management, City Staff was able to reconcile registration discrepancies (VIN/license plate) in the list of vehicles initially provided by the company.

Rates: Rates are contractually set with Metro.

Union Cab

Type of Service: Union Cab is a worker cooperative, whose employees make up the board that oversees the company. Union is a metered-cab operation. Union operates more vehicles (54) than any other taxicab company. They are the only company providing non-medical on-demand accessible taxicab service and receive no financial assistance from the other metered or zoned taxicab companies or the City of Madison for this service.

Customer Complaints: Union had no complaints in 2023 and 2 complaints in 2024. One complaint was for a late ride, the other was for a rude/unprofessional driver. Union Cab investigated both incidents and worked with drivers to provide better and more professional service.

Vehicle Registration: With the help of Madison Taxi management, City Staff was able to reconcile registration discrepancies in the list of vehicles initially provided by the company.

Rates: No changes in this period.

Comments: Union Cab had expressed concern about its ability to continue to provide on-demand accessible taxi service to provide transportation services to individuals who may be restricted to a wheelchair. The Transportation Department's 2023 Adopted Capital Budget (Leg ID# 75053) to establish a new grant program to provide grants (\$250,000) for City licensed taxi companies in Madison to purchase accessible taxi cabs. On 9/30/2024, 3 accessible vehicles were purchased for Union Cab. The cabs were painted and equipped as taxis and started accessible service as of 1/9/2025. Staff stated that these vehicles have been extensively used and have roughly 15,000 miles each. Per city contract, Union will provide more detailed ridership data early in 2026 after a year's service.

Management feels the industry has not yet stabilized for riders as initially TNC caused a decrease in demand for taxis and post-pandemic the number of TNC drivers has decreased reducing overall TNC capacity. This scarcity was exacerbated by Green's Cab exit. Ridership is returning but staff are returning at a slower pace.

CONCLUSIONS

Staff finds the responses to all questions acceptable. It is apparent from these questions and visual inspections that: a) vehicles are being maintained properly (there were no maintenance-related crashes in 2023 and 2024 by licensed carriers); b) drivers appear to be getting adequate rest periods; c) there has been relatively few MDOT complaints; d) driver and passenger safety is a high priority among carriers; d) refusal of service is rare; e) the vehicles listed in each operation are currently registered or the company is in the process of replacing a vehicle listed; and f) each insurance companies certificate of insurance has been approved by City Risk Management .

RECOMMENDATIONS

It is recommended that the operating licenses for all four of the currently licensed carriers be renewed, and that the attached resolution be recommended for approval