



## Traffic Engineering Division

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**Date:** March 28, 2007  
**To:** Transit and Parking Commission Members  
**From:** David Dryer, City Traffic Engineer  
**Subject:** 2007-2008 Taxicab Operators License Renewals Resolution

### OVERVIEW

The following taxicab companies applied to renew their operating licenses: Badger Cab Co., Inc.; Union Cab of Madison Cooperative, Inc.; Affiliated Carriage Systems, Inc. (Madison Taxi); Laidlaw Transit Services, Inc.; and Transit Solutions, Inc. There were no applications for a new license.

In accordance with the criteria articulated in Madison General Ordinances, Traffic Engineering staff conducted an investigation into taxicab operator license renewals. The companies were required to answer a series of written questions (attached). The written questions were developed based on: relevant ordinances; complaints received by the Traffic Engineering Division in 2005 and 2006; and lastly, current public safety and service issues associated with the taxicab industry. Every crash on the Madison Police Department's web site involving licensed taxicab providers was reviewed. In addition, taxi companies were asked to comment on specific drivers who had multiple crashes.

All companies were asked about vehicle maintenance, driver rest periods, customer/driver complaints, driver/passenger safety, paratransit operations, taxicab rates, refusal of service, and financial results. While all of the carriers were provided an opportunity to correct financial data provided in January of 2006, none of them corrected any previously supplied information. Taxicab companies were asked about the voluntary, accessible taxicab service provided by Union Cab and about possible fees to support this service. If Union were to reduce its fleet to one vehicle, all three cab companies would be required to offer this service.

Furthermore, the companies were asked about shared-ride taxi service at Dane County Regional Airport. All cab services may operate as a shared-ride service when the city or airport officials declare a peak period. There is a standing peak period each night after 9 pm. Typically, peak periods are declared when the demand for cabs is the greatest. During peak periods, all companies are allowed to pick up multiple passengers (shared-ride) and charge them a rate based on a zone map. There have been driver complaints filed by passengers who simply do not understand exactly what a shared-ride is and how passengers are distributed among available cabs by destination. MDOT staff has encouraged airport officials to post information about taxicab service near the taxicab queue to no avail.

Lastly, an annual survey (attached) was completed by licensees to gather information on passengers, profits, crashes, complaints and vehicles.

## **INDIVIDUAL COMPANY INVESTIGATIONS**

### **Badger Cab**

*Type of Service:* Badger Cab is a zoned taxicab business that operates on a shared-ride basis, i.e., they often pick up and deliver passengers/packages while in route with other fares. Each passenger pays only for the zone combination shown in the Badger rate book, regardless of the actual route taken. Due to this type of operation, Badger continues to have the lowest cost/passenger of any cab company and usually has the lowest fares. Passengers may give up some transit time as a trade-off to these relatively lower fares.

Badger is a leased cab operation where each driver is an independent contractor and leases their vehicle from the company on a daily basis. Drivers retain the revenues collected during their shift but must pay a lease payment to Badger for the vehicle and other services provided. The City does not regulate these lease arrangements. There are no driver-owned vehicles.

*MDOT Complaints:* MDOT received three Badger Cab driver complaints in 2006. One complaint involved a verbal altercation between a customer and driver, and the second complaint involved a verbal altercation between a pedestrian and a driver. It was difficult to determine the facts in either case without objective witnesses present. However, Badger did issue warnings to the respective drivers to maintain professionalism and avoid customer conflict. The third driver complaint involved a driver who permitted his cab to become overcrowded after a UW football game. The driver admitted his action and was reprimanded by management.

*Accessible taxicab system:* Badger Cab is not assisting Union with this effort but did pay initial licensing fees for two vehicles (currently \$50 each). Badger believes that any subsidies necessary to keep this service viable should come from the City of Madison and not from other carriers through a city-imposed fee.

*Reported Crashes:* Traffic Engineering staff has identified three Badger drivers with multiple crashes in 2006. MPD Accident reports indicate that none of the crashes that these drivers were involved in where the fault of a Badger driver.

*Dane County Regional Airport/ Shared-ride Issue:* As a part of a compromise, unless a peak period is declared, Badger only picks up parties going to the same location (i.e. at the airport, Badger does not load passengers going to different locations, as it typically would while operating at other locations). The company's driver's manual explains what a shared-ride is and that anyone may choose any cab waiting in the airport queue. Badger staff felt that there was appropriate signage at the airport describing what a shared-ride is and when a peak period has been declared.

*Other Information:* Badger reported a \$1,216 loss in 2006; however, they assert that this should in no way indicate a lack of financial viability. Badger moved into a new facility in 2006. All Badger cabs use propane as fuel.

### **Union Cab**

*Type of Service:* Union Cab is a cooperative with a metered cab operation. All employees are equal owners of the company. Union operates more vehicles (63) than any other company and is increasing it's fleet by two vehicles in 2007. They are the only company providing accessible taxicab service, and receive no financial assistance from the other metered or zoned taxicab companies or the City of Madison for this service.

*MDOT Complaints:* Union had two customer complaints filed with MDOT in 2006. One complaint was for a driver witnessed smoking and the second was for a passenger/driver verbal altercation. In each case, the drivers were given warnings.

*Accessible taxicab system:* Currently, Union operates three wheelchair accessible dual-purpose vans. According to Union staff, one to two vehicles are operating at any given time. Often one of the vehicles is being repaired or maintained. According to Union, demand for this service is strong as Union provides the only “demand-responsive, wheelchair accessible” service in the city. Currently, the service is financially “breaking even”. However, if other operators were to enter the market, Union would have to “[rethink] its entire business model.” In addition, Union limits the number of pre-arranged or pre-booked trips, because it wants to be able to provide customers with “spontaneously” demanded trips. There have been some informal complaints, that during certain high demand periods, this service was not provided in a timely manner.

*Reported Crashes:* Two Union drivers have been identified with multiple crashes in 2006. One driver was rear-ended through no fault of his own; and in the second crash he accidentally left the car in park and the vehicle hit a pole (no passenger in vehicle). The second driver had two accidents where the other drivers were ticketed.

*Dane County Regional Airport/ Shared-ride Issue:* According to Union management, it provides extensive training to their drivers regarding the intricacies of shared-ride rules, including handouts for drivers as well as customers. Union suggests that it is the lack of official communication at the airport not “driver miscommunication” that results in customer confusion. Union suggests a posted “customer bill of rights” and improved signage at the airport.

### **Affiliated Carriage Systems (Madison Taxi)**

*Type of Service:* Madison Taxi operates a privately owned, metered taxi operation. They also operate some driver-owned taxicabs.

*MDOT Complaints:* Madison Taxi had three complaints filed with the MDOT last year. Two complaints involved customers claiming that they felt pressured into ridesharing and that drivers behaved rudely (both complaints were at airport) and the other complaint involved confusion over shared-ride rates from the airport.

*Accessible taxicab system:* Madison Taxi claims, if required, they would start their own accessible taxicab service instead of contributing to Union’s accessible service.

*Reported Crashes:* The three drivers that were involved in two crashes each. The company’s safety supervisor is currently monitoring the respective drivers.

*Dane County Regional Airport/Shared-ride Issue:* Madison Taxi described their airport shared taxi procedures as follows. Madison Taxi drivers will ask the first customer in line his or her destination and ask the passenger whether or not he or she would be willing to share their cab and, thus, receive a discounted fare. If the passenger agrees to a shared-ride, the driver will attempt to find other passengers going in the same general direction. If the passenger does not want to share a ride, Madison taxi will attempt to accommodate the passengers. Sometimes a cab will be sent to the airport to pick up a passenger who would prefer a metered ride.

### **Laidlaw Transit Services, Inc.**

*Type of Service:* Laidlaw is a nationwide company that operates a specialized taxi operation used to transport the elderly or persons with disabilities. All services provided by Laidlaw in

Madison are contractual.

*MDOT Complaints:* None reported.

*Accessible taxicab system:* Laidlaw has initially trained Union drivers on transporting individuals using wheelchairs at cost; however, they do not provide any financial or other support to Union's program currently.

*Reported Crashes:* Traffic Engineering staff could find no Laidlaw drivers with multiple crashes in 2006.

*Dane County Regional Airport/Shared-ride Issue:* Not applicable.

### **Transit Solutions**

*Type of Service:* Transit Solutions is a privately owned specialized transportation service.

*MDOT Complaints:* none reported.

*Accessible taxicab system:* Transit Solutions does not provide any support to Union's program.

*Reported Crashes:* Traffic Engineering staff could find not Transit Solution drivers with multiple crashes in 2006.

*Dane County Regional Airport/Shared-ride Issue:* Not applicable.

### **CONCLUSIONS**

Staff finds the responses to all questions acceptable. It is apparent from these question and visual inspection that: a) vehicles are being maintained properly (there were no maintenance related crashes in 2005 and 2006 by licensed carriers); b) drivers appear to be getting adequate rest periods; c) there has been relatively few MDOT complaints (8 in 2006); d) driver and passenger safety is a high priority among carriers; d) refusal of service is rare; and e) the voluntary accessible taxicab program provided by Union Cab appears to be in high demand, and, is operating reasonably well.

### **RECOMMENDATIONS**

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