




## AUSTIN TRANSPORTATION DEPARTMENT M E M O R A N D U M

**TO:** Mayor and Council

**CC:** Spencer Cronk, City Manager  
Robert Goode, P.E., Assistant City Manager

**FROM:** Robert Spillar, P.E., Director  
Austin Transportation Department 

**DATE:** June 7, 2018

**SUBJECT:** Ground Transportation Service Regulatory Reform Update

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The purpose of this memorandum is to provide an update on recommendations for Council action regarding the City's ground transportation service regulatory reform. On November 16, 2017, a [memo to the Mayor and Council](#) was distributed illustrating plans to bring recommendations forward as proposed ordinances in two phases. Having completed implementation of phase 1 pertaining to limousine and charter service reform in December 2017 ([Ordinance No. 20171214-095](#)), we recommend moving forward with Phase 2, pertaining to taxicab industry reform and modernization.

### Summary

The City Council is scheduled to consider a draft ordinance on June 14, 2018. These recommendations are intended to modernize the current Austin taxicab model and provide taxi companies with the ability to operate on a more level playing-field with other ground transportation services not regulated by the City of Austin. These recommendations, which have gained consensus with both Austin taxicab companies and drivers, include the following:

- Allow taxicab companies to flex rates or use flat rates based on market needs. However, any new pricing must be
  - a) set by management
  - b) apply fleet-wide
  - c) be posted on the holder's website
  - d) posted on the rate card and displayed within the vehicle, and
  - e) relayed to the Austin Transportation Department (ATD) upon change.
- Allow taxicab companies to increase or decrease taxicab vehicle fleet numbers based upon market needs on a quarterly basis.
- Allow taxicab vehicles to operate with a simple State inspection certificate, eliminating additional third-party inspection requirements.
- Allow taxicabs to use traditional or virtual meters.
- Allow taxicabs to operate without specific color schemes or top lights (However, trade dress, markings and logos will still be required).

- Allow taxicab companies to have dispatch call centers outside of the City, depending upon business needs.
- Allow all-electric taxicab vehicles to operate with a reduced permit fee.
- Incentivize taxicab companies to operate a fleet of more than 6.5 percent wheelchair accessible taxicabs by allowing wheelchair accessible taxicabs to operate with a reduced permit fee and wheelchair accessible taxicabs to operate free of any permit fee if a 5 percent or higher annual wheelchair ride ratio is met.

Also included in phase 2 of ground transportation regulatory reform are certain City Code Chapter 13-2 adjustments necessary for streamlined ground transportation operations, including elimination of superfluous code language. [Click here to review all recommended ordinance amendments included in the draft ordinance.](#)

### **Background**

Since the appearance of Transportation Network Companies (TNCs) in June of 2017, and in recognition of new disruptive technologies and business practices on the horizon, taxicab companies have experienced a drop in service of more than 75 percent. To help the taxi industry address this issue, the City initiated a series of meetings with industry leadership, Austin-based taxicab drivers, the Urban Transportation Commission, and taxicab regulators in cities all across the United States including regulators from neighboring cities such as Houston and San Antonio. The code recommendations being brought forward are the product of our discussions and we believe these to be the best step forward for the taxicab industry in Austin.

We anticipate that representatives of both the drivers and various franchises may contact Council offices directly. I wanted to ensure that you were informed of our plans and our continued commitment to work with affected stakeholders.

Should you have any questions or need additional information, please do not hesitate to contact Jason JonMichael, ATD Assistant Director for Smart Mobility, at [Jason.JonMichael@austintexas.gov](mailto:Jason.JonMichael@austintexas.gov) or (512) 974-7028 or Jacob Culberson, ATD Division Manager for Mobility Services and the Ground Transportation Office, at [Jacob.culberson@austintexas.gov](mailto:Jacob.culberson@austintexas.gov) or (512) 974-1489.