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Appendix A: Presentation Material - Stakeholder Consultation – Working Group
1. INTRODUCTION

The Fairbanks North Star Borough (FNSB) retained the consulting firm IBI Group to conduct an Accessible Taxi Feasibility Study. The FNSB initiated the study in order to best understand: the current taxi/vehicle for hire environment in the Borough; best practices including alternate service delivery and governance models in the planning an implementation of accessible taxi services; the identification of key attributes of an effective accessible taxi operation; and to develop a Borough-specific implementation plan.

While there may be differences of opinion on whether taxis are part of mainstream public transit services, few would dispute their importance as a mode of transportation (mobility) for the elderly and disability communities. The combination of the personal service offered by taxis, their wide availability in terms of both time of day and day of week, broad area of service and their door-to-door operation means that they are of particular value to people with disabilities. A National Travel Survey in Great Britain in the early 1990s provides a good illustration of this. The study included a survey of the mobility of disabled people which showed that overall, people with a disability only made two-thirds the number of journeys by all modes (including walking) of those made by their non-disabled peers. The only mode of transportation on which people with a disability made more trips than the non-disabled was taxi: on a per capita basis, they actually made twice as many trips as their non-disabled peers. The importance of accessible taxis was echoed in the 2015 survey of Accessible Taxis in Alaska whereby 45.5% of respondents, when asked “If an accessible taxi wasn’t available for your use, what did you do?” indicated that they “did not make the trip”.

In short, taxis are an essential form of transportation for all individuals, but especially for individuals with disabilities. According to a 2002 study by the U.S. Bureau of Transportation Statistics, “Four times as many disabled people as non-disabled people lack suitable transportation options to meet their daily mobility needs.” In the Borough, for non-disabled individuals, taxis are an important transportation alternative as a result of their availability and ease of use. Unfortunately, currently this is not the case for individuals with disabilities. In the Borough there are no wheelchair accessible taxis in operation.

There are efforts being made across the country by local advocates, city agencies and regional transportation agencies to increase the number of wheelchair accessible taxis. A few jurisdictions that are working on improving their accessible taxi service include, for example, Anchorage, AK; Arlington, VA; Baltimore, MD; Chicago, IL; Fairfax, VA; Montgomery County, MD; New York, NY; Prince George’s County, MD; and San Francisco, CA. These jurisdictions

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are utilizing a combination of federal funds, tax credits, incentives, and governmental requirements to support and increase the number of accessible taxicabs.

1.1 Study Objectives and Work Program

The Accessible Taxi Feasibility Study outcomes have been designed to achieve several key objectives and make recommendations with respect to the following key areas as identified in the FNSB’s terms of reference:

1. The current taxi environment in the Borough by addressing the following questions (Chapter 2):
   a) Are there accessible taxis in Fairbanks?
   b) Who owns them?
   c) How many are there in the Fairbanks North Star Borough?
   d) Why aren’t they being operated (in specific detail)?
   e) What are the barriers to operation (in specific detail)?
   f) What are the priority areas (where taxis pick up the most fares)?
   g) What are the priority markets (for all taxis)?

2. A peer review / industry best practices (Chapter 5)

3. Description of an effective accessible taxi operation (Chapter 5)

Based on study findings, the Report shall identify the elements of an effective accessible taxi operation, and address the following questions:

   a) What attributes are featured in an effective accessible taxi operation? Examples: equipment, additional training for drivers, additional assistance from the vehicle to the destination, customer service.
   b) What strategies do the owners or communities pursue to establish an effective operation?
   c) What specific conditions must exist from the taxi company perspective to make operating one or more accessible taxicabs a worthwhile endeavor?

4. Borough-specific Implementation Plan (Chapter 6)

Generate a Borough-specific Implementation Plan for providing accessible taxi service in Fairbanks that is meaningful for users, and sustainable and profitable for companies. The plan must include methods or strategies to overcome practical difficulties and barriers related to an accessible taxi operation as identified in the Study.

Complementing the above specifics of the work plan (compliance with the FNSB’s RFP scope of work) is a commentary on population projections and
travel demand (Chapter 3) and a summary of stakeholder consultation (Chapter 4).

1.2 Accessible Taxis – Guiding Principals

As a result of the research and stakeholder consultation undertaken during the study process, several guiding principles have been identified which were used to assess the most appropriate direction for accessible taxis in the Borough:

a) On-demand taxi/vehicle-for-hire service should be founded on the principle of full access, integration, and inclusive design; 

b) Accessible and non-accessible taxi/vehicle-for-hire service should be available to the public on a similar basis (24/7 on-demand service) with similar performance standards;

c) Accessible and non-accessible taxi/vehicle-for-hire customers should be charged the same fare for similar service provided;

d) Any decision with respect to on-demand accessible taxi/vehicle-for-hire service should be based on a long term sustainable solution for all participants in the industry;

e) Every effort should be made to avoid or minimize taxpayer subsidy; and

f) Customer safety will be a priority and accessible service will be provided by qualified drivers.

1.3 Summary of Recommendations

Based on the review of existing taxi operations, an understanding of current industry practices and attributes of an effective accessible taxi program, the following presents a summary recommendations (presented in Chapter 6) for a Borough-specific implementation plan for going forward:

Recommendations presented (to address Barriers That Negatively Impact the Implementation and Sustainability of Wheelchair Accessible Taxi Services (presented in Chapter 5.3) speak to opportunities within the scope of influence

---

2 In addition to the handling of a mobility device, broader aspects of accessibility needs including persons with a sensory, cognitive, and other physical limitations as well as ancillary elements such as telephone systems and dispatching technologies need to be included in inclusive design.
of both the FNSB and the City of Fairbanks. The latter being the regulatory authority and party responsible for the vehicle for hire industry. The nature of recommendations are such that the FNSB may influence the financial viability and sustainability of an accessible taxi program. Equally, it is important to entrench requirements in the *Fairbanks General Code* (Article II. - Vehicles for Hire).

While the use of an accessible taxi vehicle operating under contract to the FNSB or other contracting agency can be governed by terms and conditions of a performance-based contract, performance and qualitative standards need to be entrenched within the vehicle for hire regulatory framework in order to provide the same assurances for the public at large (including people with a disability).

**Recommendation 1.** Van Tran incorporate the use of taxis (sedan and wheelchair accessible) to supplement the core Van Tran services

**Recommendation 2.** FNSB staff facilitate on-going dialogue with the Fairbanks Transportation Partnership Group regarding additional opportunities for the contracted use of accessible taxis.

**Recommendation 3.** FNSB make one MV-1 vehicle available through a low cost leasing arrangement to an approved taxi operator.

**Recommendation 4.** FNSB include accessible taxis in annual capital program based on realistic life cycle replacement schedules and as appropriate replace wheelchair accessible vehicles on lease to for-hire operator. FNSB to establish service contract rates for agency sponsored services that realistically consider higher maintenance costs for wheelchair accessible vehicles.

**Recommendation 5.**

i. FNSB recognize the need to deadhead potentially long distances to serve relatively short trips, and establish contracted rates for agency sponsored services that realistic consider average system-wide trip lengths that include return deadheading, or establish a premium incentive to cover relatively long deadhead mileage.

ii. It may be necessary for the FNSB to establish an umbrella secondary insurance policy to make up the difference between the existing for-hire service provider’s coverage and the coverage required by the FNSB.

iii. FNSB to incorporate the mandatory requirement for wheelchair handling and disability sensitivity training in any service contract.

iv. FNSB to formally require driver background checks in any service contract and provide oversight to ensure ongoing compliance.

v. FNSB to formally require participation in a random drug and alcohol testing programs that meets federal requirements. Requirements should be
vi. FNSB to facilitate (or provide) limited Industry-based driver training and disability sensitivity training program.

Recommendation 6. FNSB to work with the City of Fairbanks to develop language for inclusion in the City’s General Code (Chapter 86 – Vehicles for Hire) to reference accessible taxis.

2. PROFILE OF EXISTING TAXI ENVIRONMENT IN THE BOROUGH

To provide a solution that meets the guiding principles discussed in Section 1.2, it is necessary to fully understand the unique aspects of the local environment to identify the most appropriate way to deliver an on-demand wheelchair accessible service.

This Chapter provides a profile of the local regulatory environment and current taxi operations in the Borough.

2.1 Taxi Regulation

2.1.1 OVERVIEW

An evaluation of the taxi regulation in the Borough was not within the scope of this study. That said, the following provides a cursory overview or primer on taxi regulation in order to provide context for the discussion of taxi regulation in Fairbanks (Section 2.1.2)

The literature is replete with the analysis of alternate approaches to taxi regulation. In many jurisdictions throughout North America the taxicab industry is heavily regulated, mainly by local governments. Common are caps on the total number of taxis (restrictions on entry) and regulations governing fares, services, and quality. However, a number of cities have recently deregulated entry, fares, and some aspects of service. Further, regulations can be used to place control on the taxi vehicle permit with the owner, who may be a driver, a taxi company, or any other party seeking to operate the vehicle as a business.
Taxicab regulations typically consider four taxicab market segments and five areas of regulation, because the merits of regulation differ substantially among them. The four segments are cruising cabs, cabs that wait at stands, radio (digitally)-dispatched cabs, and cabs that provide service under contract. The five areas of regulation are: entry restrictions; fare controls (meter rates); restrictions on the types of service offered, such as ride sharing; requirements to provide certain amounts of service; and quality regulations, which concern vehicle safety, driver qualifications, and liability insurance coverage.

Typically, licensed taxis serve both the hail and the dispatch markets. Taxi drivers who do not control a license pay a lease rate for a shift or for full control of the vehicle to either a taxi company or, in the case of a second shift driver, to the first driver. The terms of the lease are usually fixed fees per shift, per week, or per month. Drivers keep the actual fares collected as a residual, motivating them to work long hours and to allocate themselves efficiently among neighborhoods and dispatch zones.

Open entry, as opposed to “deregulated,” best describes a jurisdiction that has deregulated entry requirements, removing the cap, but has retained other forms of regulation such as maximum meter rates, relatively stringent vehicle standards and driver training.

What has traditionally been a tightly controlled business is now threatened by ride-sharing services that operate outside existing regulations. These new services (Transportation Network Companies), like Uber and Lyft, use technology to deliver advanced offerings that can sometimes provide cheaper, higher-quality services for customers. Taxi operators, bound by existing regulatory rules, are calling on cities to do something about these entrants.

2.1.2 CITY OF FAIRBANKS TAXI REGULATION

Taxi regulation in Fairbanks may be deemed open entry with little regulation. There is no limit on the number of taxi licenses issued and virtually no regulation of taxicab market segments (cruising cabs, cab stands, radio-dispatched cabs or cabs operating under contract. Similarly there exists no entry restrictions, regulation of meter rates (fares), requirements to provide a prescribed amount of service or quality regulations.

The City of Fairbanks regulates the vehicle-for-hire/taxi industry. The Fairbanks General Code – Chapter 86
(Vehicles for Hire) governs the local taxi/vehicle for hire industry. Revisions to Chapter 86 of the General Code were enacted just over a year ago (June 2015) to update local commercial transport vehicle regulations with a broader definition of service and vehicle types, and simplified language to clarify the meaning of various subsections of the ordinance. Section 86-31 now contains an all-encompassing definition of vehicles that come under the ordinance, including but not “...limited to: taxis, limousines, tours and shuttles, and vehicles operated in conjunction with transportation network companies such as Uber and Lyft.” This is an important improvement, but not in itself to address other market concerns, including the need for accessible vehicles-for-hire in the Borough. Another section of the General Code that was not changed yet is factored into the current study is Section 86-90 which provides for the exclusive use of taxicabs unless passengers agree to share the ride. Historically, the exclusive ride nature of traditional taxicab service has been at odds with the shared ride service concept offered by the Van Tran complementary paratransit service or other agencies who may wish to enter into a shared-ride taxi services contract.

With no barriers to entry, applicants need to make application through the City’s Clerks Department and complete applications to acquire a chauffeur license (driver), commercial transport vehicle company license, and commercial transport vehicle permit. The fees for each are as follows:

1. Chauffeur License Application
   - $75.00 Non-Refundable Application Fee for New Applications and Renewals
   - $100.00 Biennial License Fee for New Applications and Renewals

2. Commercial Transport Vehicle Company License Application
   - $100.00 Non-refundable Application Fee.
   - $400.00 Bi-Annual License Fee.
   - Approved Color Scheme on File with City Clerk's Office.
   - Current State of Alaska Business License.
   - Current City of Fairbanks Business License.

3. Commercial Transport Vehicle Permit Application
   - $200.00 Bi-Annual Permit Fee. $100.00 Permit Transfer Fee.
   - Approved Color Scheme on File with City Clerk's Office.
• Current Vehicle Registration.
• Current Certificate of Insurance.
• Current State of Alaska Business License and Current City of Fairbanks Business License.

2.2 Fairbanks Taxi Operations

According to data from the City’s Clerks Department, there are:

• 423 licensed chauffeurs;
• 31 licensed taxi companies; and
• 152 active vehicles.

Table 2.1 presents a list of taxi companies and the number of active vehicles associated with each. Thirteen of the 31 companies (42%) are single vehicle companies or independent operators. Conversely, close to sixty-six percent of active vehicles are operated under two companies: Fairbanks Taxi Services, LLC (55 vehicles DBA Alaska Cab, King Cab, Artic Taxi and Fairbanks Taxi) and Alaska Transportation Unlimited, LLC (45 vehicles DBA Eagle Cab and Yellow Cab).

Table 2.1: Taxi Companies and Active Vehicles

<table>
<thead>
<tr>
<th>Company (DBA)</th>
<th>Number of Active Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAGLE CAB</td>
<td>30</td>
</tr>
<tr>
<td>YELLOW CAB</td>
<td>15</td>
</tr>
<tr>
<td>KING CAB</td>
<td>13</td>
</tr>
<tr>
<td>ALASKA CAB</td>
<td>17</td>
</tr>
<tr>
<td>ARCTIC TAXI</td>
<td>24</td>
</tr>
<tr>
<td>FAIRBANKS TAXI</td>
<td>1</td>
</tr>
<tr>
<td>BADGER CAB</td>
<td>2</td>
</tr>
<tr>
<td>LAST FRONTIER TAXI CAB CO</td>
<td>0</td>
</tr>
<tr>
<td>MOOSE TAXI</td>
<td>1</td>
</tr>
<tr>
<td>AIRLINK SERVICES, LLC</td>
<td>4</td>
</tr>
<tr>
<td>BEAR PAW TAXI</td>
<td>1</td>
</tr>
<tr>
<td>R &amp; R ENTERPRISES</td>
<td>2</td>
</tr>
<tr>
<td>S &amp; S CAB CO.</td>
<td>2</td>
</tr>
<tr>
<td>LD’S TAXI SERVICE</td>
<td>1</td>
</tr>
<tr>
<td>INTERIOR TAXI, LLC</td>
<td>8</td>
</tr>
<tr>
<td>FOX CAB</td>
<td>1</td>
</tr>
<tr>
<td>Company (DBA)</td>
<td>Number of Active Vehicles</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>GREATLAND TAXI AND TOUR SERVICE</td>
<td>3</td>
</tr>
<tr>
<td>GREATLAND TAXI AND TOUR SERVICE</td>
<td>1</td>
</tr>
<tr>
<td>PRECIOUS CARGO TRANSPORTATION, LLC</td>
<td>0</td>
</tr>
<tr>
<td>PRECIOUS CARGO TRANSPORTATION, LLC</td>
<td>3</td>
</tr>
<tr>
<td>GREAT LAND SHUTTLE &amp; TOURS UNLIMITED LLC</td>
<td>4</td>
</tr>
<tr>
<td>AURORA MEDICAL TRANSPORT LLC</td>
<td>1</td>
</tr>
<tr>
<td>HAMPTONS TOURS AND TRANSPORT LLC</td>
<td>1</td>
</tr>
<tr>
<td>AIRPORT EXPRESS TAXI</td>
<td>1</td>
</tr>
<tr>
<td>TAXI GOLD</td>
<td>1</td>
</tr>
<tr>
<td>PIONEER TAXI SERVICE LLC</td>
<td>4</td>
</tr>
<tr>
<td>ALASKA AFFORDABLE TOURS</td>
<td>1</td>
</tr>
<tr>
<td>BIG ESKIMO TOURS</td>
<td>1</td>
</tr>
<tr>
<td>GOLDEN HEART SHUTTLE &amp; TOURS</td>
<td>2</td>
</tr>
<tr>
<td>WISE TAXI LLC</td>
<td>1</td>
</tr>
</tbody>
</table>

**Fares:** There is no regulation of taxi fares (or meter rates). Typical fares are $3.20 per mile plus $1.00 drop charge. For example a one-way trip from the airport to downtown would be approximately $20.00. In the absence of regulated fares, taxi companies are able to charge whatever distance, time and drop based fare as they wish.

**Dispatch:** Fairbanks Taxi Services (DBA Alaska Cab, King Cab, Artic Taxi and Fairbanks Taxi) and Alaska Transportation Unlimited (DBA Eagle Cab and Yellow Cab) each have central dispatch functionalities. Fairbanks Taxi Services uses computerized dispatch, operators use tablets and cars are not equipped with radios. Vehicles are also GPS equipped enabling the tracking of vehicle location in real-time.

It appears all other taxi companies accept trip request via a cell phone voice messaging. Similarly, few have a website.

The larger companies operate as a broker, leasing a car, insurance and dispatch services for a daily fee (i.e., range from $60. to $90./day). The driver pays for fuel.

**Markets (and Areas) Served:** Fairbanks taxis serve an eclectic market including the indigent population, later night weekend bar crowd, cold weather customers having
vehicle reliability challenges, seasonal tourists, airport services, Alaska Railroad station, provide roadside (jumpstart) services, lock-out services, courier service, and special events. In addition to accepting Medicaid vouchers, some contracted services are provided including the provision of student transportation for the school district. While the larger companies focus on the 'conventional' taxi business, some of the smaller taxi companies provide tour services including: daily guided fishing tours; Aurora Borealis tours; Arctic Circle tours; and Denali National Park and wildlife tours.

Taxi companies provide service in a wide-ranging service area including: the City of Fairbanks and surrounding area; Fairbanks International Airport; City of North Pole and surrounding area; University of Alaska; Ft. Wainwright; Eielson Air Force Base; Communities of Ester, Fox, Salcha; and the Chena Hot Springs Resort. In the absence of regulated meter rates, fares may be negotiated based on distance (and time).

### 2.2.1 Fairbanks Accessible Taxis

There are two companies that each own one wheelchair accessible taxi.

Fairbanks Taxi Services owns a Dodge Caravan with a rear-entry ramp (exterior and interior pictured at right). This vehicle is not in service. Fairbanks Taxi Services official expressed concern that in the absence of any third-party contract providing for an adequate volume of work, it is not financially viable to put this vehicle into service. Further, it was suggested that the operation of a wheelchair accessible taxi would need to be a company employee (as opposed to an independent operator paying a daily lease and dispatch fee). An employee arrangement would ensure quality of service requirements.

Greatland Taxi owns a 9-passenger, lift-equipped wheelchair accessible van. Greatland fares for the accessible van is a $45. drop charge plus $5. per mile (compared to their charge for sedan taxi service at $3.50 per mile and $1.50 drop

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3 Title XIX of the Social Security Act and accompanying regulations requires that the State’s Medicaid program ensures necessary transportation for recipients to and from Medicaid-covered services. This includes the provision of taxi vouchers to recipients.

4 Transportation for students with a disability is provided by Laidlaw Transportation.
Greatland Taxi currently does not have any contract work for their accessible van and hence is not in service.

Both companies indicated there currently exists no financially sustainable model for the operation of wheelchair accessible vehicles. This is further compounded by the belief that there is limited demand for accessible taxis if a person with a disability (who uses a mobility aid) has to pay the full fare.

3. TRAVEL DEMAND

Changing demographics (i.e., aging population), growth in population through migration, and changes in settlement patterns certainly affect the demand for transit, whether it be conventional or paratransit services and hence to possible demand for accessible taxi service. These changes are, however, usually anticipated and, as such, are generally included in the Borough population projections used in this demand analysis. Borough population projections take into account things such as an aging population. There are however, issues that are not as easy to project, and are almost impossible to include in a transportation demand model. These issues are usually more socio/political in nature and affect the need and use of many kinds of transportation services. They include, but are not limited to:

- Trends towards community-based living;
- Expansion of adult day programs;
- Health care restructuring;
- Social policy framework; and
- Changes to service standards and other operational policies.

Recent research commissioned by AARP (formerly known as the American Association of Retired Persons) suggests that the boomer generation, the first wave of which turned 65 years of age in 2011, will typically be “healthier” than that of previous generations. With greater expectations for mobility, this somewhat more affluent boomer generation will be a product of a more health conscious age group, while experiencing medical advances unprecedented in medical history. Future directions suggest the incidence of disability with aging will not escalate at the same rate that we have seen over the past quarter century. The increase in older adults does not necessarily indicate a proportionate need for the current mix of transit services. The increase in the percentage of older adults as a total of the Borough’s population will not result in a direct proportional increase in the demand for Van Tran services or the need

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5 While Fairbanks does not regulated fares, the Americans with Disabilities Act (ADA) precludes the charging of a fare greater for accessible vehicles than that charged for sedan services.
for an accessible taxi. As the “baby boom” generation ages, the older adult population will generally:

- Be healthier and more physically fit
- Have a higher level of education
- Have a higher disposable income
- Be less transit dependent with greater automobile ownership/access
- Be living independently
- Have a wider range of lifestyle preferences and higher mobility expectations

The following section profiles travel demand and trip rates specific to the transportation disabled populations in the Borough and Van Tran services. Travel demand for Van Tran is used as a surrogate for potential demand for accessible taxi service.

The 2015 FNSB Coordinated Transportation Plan provided a robust analysis of demographic trends and projections.

Figure 3.1 presents the population projection for the FNSB. The chart shows the estimated population is projected to increase to 132,030 in 2042. This represents a population change of 31.6 percent.

Figure 3.1: FNSB Population Projections

Source: Alaska Department of Labor & Workforce Development, Research and Analysis

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6 Potential demand reflects number of people and does not reflect other considerations that will impact an individual’s propensity to use an accessible taxi such as fares, quality of service, availability, etc.
Figure 3.2 illustrates the population growth estimates of four age groups in the FNSB. The population of individuals between the ages of 25 and 64 is currently the largest group, but is projected to show a relatively low growth of 2.3 percent from 2010 to 2030. Conversely, the smallest age group of individuals 65 and over is expected to experience the largest amount of growth with an increase of 160.0 percent between 2010 and 2030. The growth of the population age 65 and older is typical for most areas in Alaska.

Figure 3.2: Projected Population by Age Group

Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section, Demographics Unit

As presented in the FNSB Transportation Coordination Plan, the Survey of Income and Program Participation (SIPP) is a national household survey, started in 1984, and is characterized by an extensive set of disability questions. The SIPP is the preferred source for examining most disability issues because of the similarities between questions posed on the SIPP survey and the ADA definition of disability.

The SIPP provides extensive data and, more importantly, addresses multi-dimensional elements of a disability. The limiting factor when using the SIPP is that data is based on a relatively small sample size of 32,000 households statewide. Using the incidence rates for specific disabilities derived from the SIPP, an estimate of the number of individuals with disabilities, by age group, has been calculated for the Borough. SIPP data suggests that from 2015 to 2020...
there is projected to be a fourteen percent increase in the number of persons with a disability.

### 3.1 Travel Demand Projections

This section profiles travel demand and trip rates specific to the transportation disabled populations in the Borough and reflect trip rates for the FNSB’s Van Tran services.

One element of this study was to develop demand estimates for accessible taxis and travel trip rates for persons with disabilities. This data assisted in the determination of the feasibility of accessible taxi service in the Borough.

Based on incident rates and population projections generated from SIPP data (as presented above), Exhibit 3.3 profiles Van Tran travel demand for the years 2015 and 2020.

It is important to note that these calculations are based on recognized trip rates and comparisons of levels of service of communities in the population group of 50,000 to 150,000 people.

#### Exhibit 3.3: Van Tran Travel Demand

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION</th>
<th>PEOPLE (transportation disabled)</th>
<th>VAN TRAN REGISTRANTS</th>
<th>TRIPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>99,631</td>
<td>5,715</td>
<td>320</td>
<td>21,000</td>
</tr>
<tr>
<td>2020</td>
<td>108,000</td>
<td>6,195</td>
<td>365</td>
<td>22,630</td>
</tr>
</tbody>
</table>

As previously mentioned, travel demand for Van Tran is used as a surrogate for potential demand for accessible taxi service. This is an important relationship. The number of people with a disability in general and the number of Van Tran registrants specifically, is relatively small. Further, the number of Van Tran registrants using a mobility aid and requiring an accessible vehicle (i.e. the propensity to use an accessible taxi) is a smaller subset of Van Tran registrants.

In short, projected travel demand – the numbers - suggest limited demand by persons with a disability to pay full fare for an accessible taxi. Certainly not generating trip volumes that may result in a sustainable accessible taxi program.

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7 While Van Tran serves the mostly densely populated areas of the Borough, the Van Tran service area is smaller than the Borough.
4. **STAKEHOLDER CONSULTATION**

An integral component of this *Accessible Taxi Feasibility Study* was seeking input from key stakeholders.

Input was sought through a number of sources including:

- Discussions with individual taxi cab operators;
- Discussions with the City of Fairbanks Clerks Department staff (responsible for the licensing of taxicabs and drivers);
- Meetings with FNSB Transportation Department officials; and
- A Working Group session held July 21, 2016 (copy of presentation material is provided in Appendix A) comprising some seventeen attendees including representation from:
  - Taxi operators
  - Fairbanks North Star Borough (FNSB)
  - Fairbanks Metropolitan Area Transportation System (FMATS)
  - Fairbanks Resource Agency (FRA)
  - Access Alaska
  - State Government – DOT Transportation and Public Facilities and Dept. of Labor and Workforce Development, Division of Vocational Rehabilitation.

These consultative sessions were designed to solicit input from key stakeholders and generate discussion of ideas and opinions on accessible taxis in the Borough. Discussion included: market assessment (demand/requirements for accessible taxis in the Borough); elements of an effective accessible taxi program; barriers to entry; how to ensure financial viability; and application of technology.

A summary of the stakeholder element of the study (an aggregate of comments) is provided below.

**General Operating Framework**

Assumptions:

- Accessible taxis would operate in ‘traditional’ taxi service and be available on a “for hire” basis to the general public and to persons with disabilities requiring a wheelchair accessible vehicle (encouraging spontaneous trip making by persons with disabilities and reducing demand for Van Tran).

- Availability of accessible taxi service during taxi company hours of operation and available throughout normal taxi service coverage areas.
Services to general public and persons with disabilities would be charged at a standard rate based on approved under Chapter 86 (Vehicles for Hire) of the Fairbanks General Code – no premium fares would be charged for accessible taxi service.

Accessible taxi services would be available under contract or service agreement to public agencies for the transportation of agency clients.

Accessible Taxi Vehicle Type and Fleet Requirements

- Two local taxi companies currently each have one wheelchair accessible vehicle. They are not used as there has not been a demand for this service and are not financially viable to place in traditional taxi service. One company does use their accessible van for tours and charter services.

- “Accessible” taxi service must be provided by vehicles that are wheelchair accessible, allowing persons with disabilities to remain in their wheelchair while being loaded and secured on the vehicle. The local Fairbanks operating environment should be considered in the selection of an appropriate make and model for local use.

- The local accessible taxi fleet size should be sufficient to provide adequate service coverage based on local realities and general service level expectations.

- Accessible taxi operating and maintenance costs should be comparable with current local fleet operating costs.

Integration into Local Taxi Company Fleets

- Accessible taxi purchase costs may be too expensive for local taxi operators. This can be overcome by the procurement of accessible taxis by local public agencies and the leasing back to appropriate taxi operators.

- Taxi companies recognize that there may be an opportunity for accessible taxis in the Borough and are receptive to working with the Borough in order to arrive at a sustainable solution. Taxis currently do provide service to those customers who are able to transfer from their wheelchair to a taxicab.

- The general consensus from the taxi industry that there is a need to provide a subsidy of some sort to off-set the additional cost of accessible taxi service and to ensure the financial viability/sustainability of such service.

- In exploratory discussions with a select number of taxi companies regarding their interest in purchasing retired Van Tran vehicles, there was expressed interest in further discussions. As noted previously,
interest would be contingent upon their ability to secure a threshold of contract work in order to make the operation of a larger capacity vehicle, financially viable.

Public Service Philosophy/Driver Orientation

- Not all taxi drivers or companies may be willing to provide the extra level of service to accommodate persons with disabilities.
- Specific service expectations should be documented for agency based service agreements and for the potential leasing of agency procured accessible taxis.
- Accessible taxi drivers must be pre-screened and provided adequate orientation and equipment training. There must be proper public agency oversight to ensure participant company and driver compliance with documented service expectations.

Agency Contract Work

- Accessible taxi programs often require a threshold of contracted agency trip volumes to achieve revenue levels to sustain service participation. Currently, some agencies do provide user subsidies for program participants but are used solely for sedan taxi services.
- Agency trip volumes should be managed so that accessible taxis remain available for general “for hire” service.
- Agencies must establish annual accessible taxi contract budget ceilings and directly assign accessible taxi trips to participating taxi companies as a means of controlling trip volumes and costs within budgeted levels.
- Accessible taxi drivers must be pre-screened and provided adequate orientation and equipment training. There must be proper public agency oversight to ensure participant company and driver compliance with documented service expectations.
- Social service agencies could use accessible taxi (where cost efficient) to transport clients to day programs or medical appointments.
- Van Tran could use accessible taxi contracts (where cost efficient) as back up vehicles in the case of breakdowns, accidents, or when unable to make full bus pull out, and to avoid ADA trip denials or to maintain on-time performance when running late. Similarly, accessible taxis (a supplemental taxi contract) may be used to replace Van Tran where it is

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8 These comments were echoed during the public consultation sessions previously undertaken as part of the Borough’s Van Tran Paratransit Operational Efficiency Study. Van Tran customers and agency representatives shared comments about the need for taxi driver training including sensitivity awareness. Comments also including the poor condition of some taxicabs, smelling of cigarette smoke, etc.
deemed to not be financially viable or efficient to deploy a Van Tran vehicle. This may be for late evening service, or to serve a more ‘remote’ area of the Van Tran service area or to provide Zone B or C trips – possibly at a premium fare (non-ADA service and deemed a premium service).⁹

- Individual taxi drivers/operators expressed concern about their ability to comply with the service standards and reporting requirements of public sponsored service contracts. This may result in limited taxi company participation in publicly sponsored transportation services, or the public agency compromising on service expectations and enforcement of contract requirements.

- At a minimum, taxi service agreements should clearly specify the rates, insurance and indemnification requirements, service policies (driver assistance expectations, response time, and schedule adherence), performance expectations, vehicle age and condition requirements, reporting requirements, and driver testing and training requirements.

**Risk Management**

**Insurance**

Taxi companies may not be willing or able to comply with public agency insurance requirements. It may be necessary for a host public agency to establish an umbrella secondary insurance policy to make up the difference between the existing taxi company coverage that the coverage required by the public agency. This practice is often incorporated into the development and operation of volunteer driver programs.

**Driver Background Checks**

Background checks are recommended for all drivers participating in an accessible taxi program. It may be necessary to limit the participating driver pool to a short-list of drivers willing to submit to background check and random drug and alcohol testing program (see below).

**Random Drug and Alcohol Testing**

In keeping with federal requirements, all drivers participating in an accessible taxi program (operating under contract to a transit agency) must participate in a random drug testing program. Participating accessible taxi program drivers could be included in the Van Tran random drug testing program.

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⁹ During the public consultation sessions previously undertaken as part of the Borough’s Van Tran Paratransit Operational Efficiency Study, attendees were receptive to the idea of both incorporating the use of taxis into the Van Tran delivery framework as well as paying a premium fare for Zone B and C trips. In terms of the latter, the caveat included that any premium fare must be fair and reasonable.
Building a Business Case for Taxi Company and Driver Participant

Taxi industry participation is based on the premise that an accessible taxi program will increase revenues and generate sufficient revenues to offset any additional overhead costs – higher direct vehicle operating costs, higher insurance costs, driver orientation costs and invoicing costs.

Building a business case for participation can be encouraged:

- Through agency contract work (minimum trip volume guarantees). Sufficient trip volumes also could reduce the rejection of short metered trips requiring long non-revenue deadheading.
- Adopting a billing cycle that closely reflects taxi company norms, driver cash-out schedules, and company cash flow realities.
- Leasing accessible taxis to taxi companies (for assignment) or directly to participating drivers.

5. ACCESSIBLE TAXI BEST PRACTICES / ATTRIBUTES OF AN EFFECTIVE ACCESSIBLE TAXI PROGRAM

This chapter provides a general overview of:

- The evolution and development of wheelchair accessible taxi services;
- The barriers that restrict the effectiveness and success of accessible taxi programs;
- How jurisdictions have promoted accessible taxi services; and
- Factors that support the sustainability of accessible taxi services (ability to accommodate a mobility device as well as sensitive to broader aspects of accessibility needs including sensory, cognitive, etc.).

A comprehensive review of taxi participation in paratransit programs and the integration of wheelchair accessible taxi services can be found in the Transit Cooperative Research Program (TCRP) report, TRCP Synthesis 119: Use of Taxis in Public Transportation Programs for People with Disabilities and Older Americans (2016).

Historically the taxi industry in North America has been characterized by a high degree of entrepreneurial independence. It remains highly market driven with service coverage concentrated in areas with the maximum potential for financial return. Maximum service coverage is often characteristically limited to areas of high demand density or concentrated on markets willing to pay for a more high value and responsive service.

Traditional taxi firms can range from: large companies with a concentration of taxi licenses or medallions and a large fleet of vehicles that they operate with
staff drivers or lease out to independent drivers; dispatch brokerages that charge monthly dispatch fees to independent owner operators for dispatch and administrative services; to small "Mom and Pop" outfits that operate completely on their own, taking reservations from home offices or by cellphones while on the road. Operations in small urban centers or rural centers are often undercapitalized and through time can go in and out of business, as demand fluctuates. Increasing operating and business costs (fuel, vehicle maintenance, insurance, brokerage fees, and permits) as well as rising household living costs can push small or independent taxi operators out of business. The same can be true for the emergent, software based Transportation Network Companies\textsuperscript{10} (TNCs) operators working through the Lyft or Uber umbrellas.

Taxi industry regulation can range from a high level of regulatory oversight, as in many metropolitan areas, to a very limited level, or complete lack of regulation (as can be the case in small communities or rural areas).

In recent years the traditional taxi industry has experienced significant completion from software based TNCs such as Lyft and Uber. In many markets, traditional taxi companies are losing market share to TNCs with taxi drivers are jumping ship and more and more becoming TNC operators. TNCs have also created a regulatory challenge in jurisdictions where for-hire taxi operations are highly regulated. The market penetration, economic viability and regulation of Lyft and Uber operations will continue to play out over the near term horizon.

5.1 The Taxi Industry and the Americans with Disability Act

Federal legislation does not require taxi operators to purchase accessible vehicles as long as they only use sedan-type vehicles. The Americans with Disabilities Act (ADA) requires taxi operators using vehicles larger than sedans, to provide equivalent service. In addition to the ADA, federal supports exist for the purchase of accessible taxi vehicles through tax incentives\textsuperscript{11} and capital funding under Section 5310.

The ADA further stipulates that taxi companies when buying or leasing a new service vehicle (other than a sedan-type automobile), such as a van with a seating capacity of fewer than eight

\textbf{Americans with Disabilities Act (ADA)}

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service and vehicle-for-hire/taxi service.

\textsuperscript{10} Currently there are no Transportation Network Companies (TNCs) operating in the Borough.

\textsuperscript{11} The Architectural/Transportation Tax Deduction: IRS Code Section 190, and the Disabled Access Credit: section 44 of the Code are two federal tax incentives that can be used to support the purchase of accessible taxi vehicles.
persons (including the driver), the acquired vehicle must be accessible, unless
the company is already providing “equivalent service”. Equivalent service is
defined as parallel to services provided to the general public including
comparable response times and application of published fare structure. ADA
also requires that taxi drivers must be trained to provide safe and appropriate
assistance and service to persons with disabilities.

The ADA also requires that taxi companies provide accessible communication
services through accessible formats and technology, to enable everyone to
obtain information and schedule services. If the company offers online
reservations or the option to make reservations by phone app, it must provide
dispatching that is accessible to callers who are deaf or hard of hearing and
accessible to web users who are blind or have visual impairments.

Although stated in Law, this is not necessary the case with current taxi
operations, especially in smaller communities where oversight may be minimal.
Enforcement may only come to the forefront if there is a public non-compliance
law suit or complaint. In certain cases an ADA compliance complaint “may be
the straw that broke the camel’s back” and forced a decision to cease the
operation of accessible taxi services.

TNCs such a Lyft and Uber contend that they are software-based industries, not
transportation services, and therefore do not have to comply with ADA
accessible transportation requirements.

5.2 Evolution of Taxi/Public Paratransit Partnerships and
Accessible Taxi Service

The partnership between taxi companies and public agency transportation
providers and accessible taxi service initiatives evolved prior to the introduction
of the Americans with Disabilities Act (ADA) of 1990.

5.2.1 TAXI/PUBLIC PARATRANSIT PARTNERSHIPS

During the 1970s and 1980s, paratransit and social service agencies
increasingly partnered with taxi companies to provide or supplement their
services to their ambulatory clients. Both pre-ADA and ADA Complementary
Paratransit services recognized the potential of taxi cab partnerships to provide
supplemental capacity to:

- Provide backup for bus breakdowns and accidents;
- Offload trips from buses running late;
- Provide service during hours with low productivity (evenings and
  weekends); and
- Increase capacity when needed to avoid ADA trip denials.
In addition, public transportation agencies have involved taxi companies in subsidized taxi voucher programs as demand management strategies to shift ridership from core paratransit programs.

Much of this partnering has focused on service to the public paratransit eligible persons not needing a wheelchair accessible vehicle. Through time, contractual arrangements became more sophisticated with specific performance expectations, driver screening and training requirements and trip assignment criteria to enhance service efficiencies. In a survey conducted of 45 public transportation agencies, 39 (85%) reported the use of taxi contractors.12

5.2.2 ACCESSIBLE TAXI SERVICES

Taxi operators have long provided private for-hire services to passengers using wheelchairs. Traditionally, wheelchairs were folded and placed in the back seat or trunks of taxi sedans. However, the provision of this level of service has been spotty, dependent on the willingness of drivers to provide any necessary assistance in and out of the sedan or minivan, and to take the time to fold and stow a passenger’s wheelchair. Additional charges were often imposed above the regulated meter, flat rate or zone charges. Service was not available to persons who could not independently transfer or be safely assisted in and out of their wheelchair. This service was not available to persons using power wheelchairs. This is still the case when persons with disabilities request Lyft or Uber service. Drivers may not be willing to accommodate a passenger using a wheelchair.

As ADA has become more strictly enforced, the lack of consistent for-hire services to persons with disabilities became increasingly recognized as discriminatory.

Wheelchair accessible taxi initiatives were piloted in the 1980s and have become increasingly important through time as ADA becomes more strictly enforced. Strategies to introduce wheelchair accessible taxi services have included: the limited issuance of new taxi medallions to companies or individuals who operate wheelchair accessible taxi cabs; regulatory requirements for all taxi companies in a jurisdiction to include accessible taxis within their active licensed for-hire fleet; or the public agency procurement of accessible taxis with grant funding and the leasing of these vehicles to taxi companies willing to operate them. There have also been independent, private initiatives to procure and operate wheelchair accessible taxi cabs to a targeted market specifically including persons with disabilities. The TCRP reported that 23 (61%) of a 38 transportation agencies using taxi companies had wheelchair

accessible taxis available.\textsuperscript{13} In the United Kingdom, 100\% of all taxis operating in London are wheelchair accessible.\textsuperscript{14}

5.2.3 ACCESSIBLE TAXI SERVICES IN ALASKA

The following provides a cursory profile of the experience with accessible taxis in a select number of communities in Alaska.

**Anchorage** (population 300,000)

Anchorage currently has 188 taxi permits, and owning one is the only legal way to operate a cab. Ten of these permits are specially designated for taxis equipped to serve citizens with disabilities. The permits, which were first sold in 2001, require drivers to prioritize calls from disabled passengers, and their vehicles must be compliant with the Americans with Disabilities Act, with equipment like lifts or ramps to make them accessible.

While taxi permit owners have to pay to install the equipment, they can get the special permits at a discount: Five new accessible taxi permits were sold at an auction at City Hall in September of 2013 and sold for between $41,200 and $45,500. That was far below the prices paid for general medallions, many of which sold for more than $80,000. It has been reported that taxi permits cost as much as $150,000 on the secondary market.

The 'closed' or restricted nature of the Anchorage taxi market facilitates comprehensive regulations on permit/medallion issuance and conditions of use.

**Kenai Peninsula** (population 57,200)

Kanai Peninsula Cab Service (and DBA Alaska Cab) operate a fleet of sedan and van taxis including six ramp-equipped wheelchair accessible Dodge Caravans. Dating back to 2000, Alaska Cab acquired its first wheelchair accessible taxi having received a $20,000 grant from the Independent Living Center. Kenai’s Alaska Cab has been successful in acquiring contract work with the Central Area Rural Transit System (CARTS) as well as various social service agencies, Medicaid, and First health/STS in the Central Kenai Peninsula. Few trips for wheelchair accessible taxis are requested outside of the contractual arrangements (i.e., customers with a disability requested an accessible taxi for on-demand or discretionary travel).

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\textsuperscript{13} TCRP Synthesis 119, (2016), p.5.
\textsuperscript{14} Massachusetts Community Transportation Series, Wheelchair-Accessible Taxicabs, (October 2013), p. 7.
Alaska Cab drivers who operate the accessible taxis are independent contractors who pay a $110./day fee for the use of the vehicle and access to Alaska Cab’s digital dispatch system. The daily rate for sedan taxis is $100.

**Juneau** (population 32,700)

Southeast Alaska Independent Living (SAIL) has been spearheading an accessible taxi and taxi voucher program in Juneau continuously since 2004. In 2004, SAIL was awarded a Coordinated Transportation grant through the Alaska Department of Transportation and Public Facilities (ADOT&PF) for an accessible taxi and taxi voucher program for people with disabilities and seniors (age 60 and older). All taxi companies operating on the Juneau road system were notified of the opportunity to partner with SAIL on the project. To be considered responsive, a taxi company needed to express both interest and willingness to comply with grant stipulations (e.g. people with disabilities cannot be charged more than non-disabled riders; people with disabilities and seniors have first priority in the use of the accessible taxi). Only Juneau Taxi and Tours was deemed responsive and subsequently entered into a contractual relationship with SAIL.

Over the next few years, SAIL put out additional rounds of Request for Proposals (RFPs) and again, only Juneau Taxi and Tours responded and was subsequently chosen to partner with SAIL on the project. The voucher program currently uses a software program from Digital Dispatch Systems (DDS). Both SAIL and the Juneau Taxi and Tours access the software to administer rider accounts and create required reports. Eligible riders must be a senior or person with a disability, be middle to low income, and show a picture ID to the driver, made available by SAIL.

In June of 2014 SAIL put out a new RFP for a vendor. This time two companies responded. A PEC was formed and Juneau Taxi and Tours was again chosen and entered into an agreement through June 30, 2018.

Over the years, SAIL has successfully provided six (6) ramp-equipped taxis using ADOT&PF grant funds for 80% of the cost of the vehicle. The 20% match for the first vehicle was granted by the City and Borough of Juneau (CBJ). The required match for the next three (3) vehicles was granted through legislative capital appropriations with the support of the Juneau delegation. The match for the last two vehicles was provided by Juneau Taxi and Tours. Currently three accessible cabs are in operations. The required match for the voucher program is a combination of rider fares (40 cents on the dollar) and an in-kind donation from Juneau Taxi and Tours of 15-20% of voucher fares.

CBJ regulates taxicabs through their Commercial Passenger Vehicle Regulations (Amendment of Title 20, Chapter 40). Regulations address permit and vehicle fees as well as fares/meter rates. Section 7 of the Regulations address wheelchair accessible vehicles as follows:
A wheelchair accessible vehicle registered to a certificate endorsed for taxi service shall entitle the holder to a waiver of the registration fees for that vehicle, and to a ten percent reduction in the Class A endorsement fee. Except for reasonable time for maintenance, not to exceed 30 days annually, the vehicle must be one of the three vehicles available for Class A service to qualify for the reduction in fees.

The 2015 CBJ Coordinated Human Services Transportation Plan includes a priority to encourage lift accessible taxis and an analysis of the feasibility of establishing a minimum percentage of lift accessible taxis for all taxi operators.

Ketchikan (population 8,200)

The City of Ketchikan regulates the taxi industry, mandates that each taxi have a permit, and caps the number of permits allowed to operate.

In 2010, SAIL Ketchikan was awarded a Coordinated Transportation grant through ADOT&PF for a ramp-equipped taxi for people with disabilities and seniors. All taxi companies operating on the Ketchikan road system at the time were notified of the opportunity to partner with SAIL on the project. Only Ketchikan Yellow Taxi Inc. responded, agreed to provide the 20% match required by the grant process, and subsequently entered into a contractual agreement with SAIL. A vehicle was ordered and delivered. In the first six months of operation the demand for the vehicle grew steadily, with many Ketchikan residents relying on the service to get to and from work, the store, church, etc. Unfortunately the vehicle chosen experienced numerous mechanical problems including a factory recall that pulled it out of use for an extended period of time. This vehicle is no longer operable.

SAIL learned many lessons from this experiment including “every system needs a backup” in order to achieve a reliable system there needs to be two ramp-equipped vehicles so one vehicle is always available despite maintenance, repairs, etc.

In FY2014, SAIL was awarded a Coordinated Transportation grant through ADOT&PF for 80% funding, capped at $43,551, to purchase one ramp-equipped taxi for people with disabilities and seniors on the Ketchikan road system. SAIL then secured 10% ($5,444) from the Rasmuson Foundation, bringing the total available funds to $48,995. Yellow Cab agreed to operate the taxi. In February 2015, Yellow Cab applied for a certificate of public convenience (a permit) from the City of Ketchikan to operate the vehicle. A motion to hold a public hearing was not support by the City Council. Subsequently, Yellow Cab declined to partner with SAIL to operate the vehicle.

In FY2016, SAIL was approved by ADOT&PF for 80% funding, capped at $46,560, to purchase a second ADA taxi to serve the Ketchikan road system. SAIL is currently working with the City of Ketchikan to draft an ordinance allowing for a minimum of two new taxi permits exclusively for the accessible
taxis. The City of Ketchikan is considering offering additional incentives to a taxi vendor willing to provide 24:7, 365 days a year service. Possible incentives include making available additional permits for non-accessible vehicles and premium, designated parking in key locations. SAIL is planning to purchase two (2) MV-1’s and lease them at a monthly rate to the successful respondent to a RFP to operate the vehicles.

5.2.4 WHEELCHAIR ACCESSIBLE TAXI VEHICLE DEVELOPMENT

In North America, early wheelchair accessible taxi design ranged from small shop modifications of old Checker Cabs and non-commercial minivans as well as rare R&D prototypes that never made it to commercial manufacture because of high production costs. The objective was to design and introduce vehicles that could accommodate wheelchairs without requiring the passenger to transfer from their wheelchair, as well as accommodate passengers using power wheelchairs and/or scooters.

The minivan modifications included side and rear wheelchair ramps and as was often the case, the modified light weight minivan models marketed in the 1980s through the early 2000s had short service life cycles when put to commercial for-hire service. In a case study summarized in TCRP Synthesis 119, Luxor Cab of San Francisco stated that the life cycle of the ramp taxis they operated was in the range of 220,000 to 250,000 service miles while the life cycle of the taxis sedans they operated was in the range of 350,000 service miles. Many taxi operators also found modified minivans to be too expensive to purchase for their fleets. The Taxicab, Limousine and Paratransit Association (TLPA) noted in their report, Assessing the Full Cost of Implementing an Accessible Taxicab Program (2010) that used accessible minivans cost up to $35K and new ones cost up to $49K, while a typical sedan purchased for a taxi fleet cost approximately $5K (pre-prep cost). In contrast, Luxor Cab reported in the TCRP Synthesis 119 that the type of ramp taxis (wheelchair accessible minivans) that they use cost between $25K and $34K while a sedan costs in the range $15K to $18K to purchase.

AM General has more recently introduced a purpose-built, wheelchair accessible commercial taxi. The Mobility Venture MV-1 includes a side loading wheelchair ramp and a forward facing wheelchair position next to the driver. MV-1s have been in sufficient production volumes to be integrated into commercial taxi fleets as well as use by independent Lyft and Uber drivers. Unit costs are in the $46K plus range.

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5.3 Barriers That Negatively Impact the Implementation and Sustainability of Accessible Taxi Services

The following provides an overview of factors that negatively impact the implementation and sustainability of wheelchair accessible taxi services. The concluding section of this chapter, Factors That Support the Sustainability of Accessible Taxi Services, is organized by the barrier themes considered below with corresponding strategies to overcome the identified barriers.

5.3.1 HIGH COST TO PURCHASE ACCESSIBLE TAXIS

Traditionally, many undercapitalized taxi companies or independent owner-operators purchased used sedans for their fleets. Typically, these were heavier duty, used law enforcement vehicles purchased at public auctions. More recently, there has been a shift to the procurement of newer (often) electric-gas hybrids as taxi operators become more concerned with image and attempt to reduce fuel related operating costs. In many cases, image concerns for the traditional taxi industry has become critical as market competition from software based TNCs becomes stronger.

As identified in an earlier section of this chapter, the purchase cost of a wheelchair accessible taxi tends to be more expensive than the purchase of a more traditional sedan or non-modified minivan. As previously discussed:

- the Taxicab, Limousine and Paratransit Association (TLPA) noted in their report, Assessing the Full Cost of Implementing an Accessible Taxicab Program (2010) that used accessible minivans cost up to $35K and new ones cost up to $49K, while a typical sedan purchased for a taxi fleet cost approximately $5K (pre-prep cost).¹⁸
- Luxor Cab reported in the TCRP Synthesis 119 that the type of ramp taxis (wheelchair accessible minivans) that they use costs between $25K and $34K while a sedan costs in the range $15K to $18K to purchase.¹⁹
- The purchase price of a new MV-1 is estimated to be in the $46K-plus range.

For some taxi operators and many independent TNC operators, this relatively higher cost may discourage the procurement of a wheelchair accessible taxi. As a rule, TNC operators use their personal vehicles for for-hire service. In some cases, the higher purchase price of a wheelchair accessible vehicle may be beyond the operator’s credit limits.

5.3.2 HIGHER MAINTENANCE COSTS AND SHORTER VEHICLE LIFE CYCLE

Earlier generation wheelchair accessible minivan conversions were often built for private use and not for more rigorous commercial passenger service use. As a result they tend to be less reliable and require more frequent maintenance than standard taxi sedans. As mentioned earlier, Luxor Cab of San Francisco stated that the life cycle of the ramp taxis they operated was in the range of 220,000 to 250,000 service miles while the life cycle of the taxi sedans they operated was in the range of 350,000 service miles\(^\text{20}\). Higher anticipated maintenance costs and shorter useable vehicle life cycles can discourage the procurement of wheelchair accessible taxis.

5.3.3 DENSITY OF DEMAND

Taxi and TNC operators tend to serve areas or locations with a high density of potential trips such as hotels, entertainment areas, transportation terminals, and medical complexes and are not willing to respond to trips far from their preferred areas of operation. They also may choose not to operate during hours when demand is lower. In the case of smaller communities, it can be difficult to ensure 24/7 coverage. Taxi and TNC operators may be reluctant to deadhead long distances to serve short trips originating and ending outside their higher density market areas, or to provide night owl coverage when demand is generally lower. Service coverage is highly market driven.

5.3.4 PERCEIVED LIMITATIONS OF MARKET FOR ACCESSIBLE SERVICES

Taxi and TNC operators may view persons requiring an accessible vehicle to be too limited a market to warrant the procurement and operation of a wheelchair accessible vehicle. Many may feel it is more profitable to concentrate on the general public for-hire market requiring a more generic vehicle.

5.3.5 HIGHER INSURANCE COVERAGE REQUIREMENTS OF PUBLIC TRANSPORTATION AGENCIES

Taxi insurance requirements are generally defined in local taxi ordinances. Generally liability insurance requirements are lower than those required by contractors working for public transportation agencies. Public transportation agencies can require up to $2M liability insurance coverage.

5.3.6 FEAR OF EXPOSURE TO POTENTIAL LIABILITY

Taxi and TNC operators comfortable with general public markets may be apprehensive to provide service to persons with disabilities because of a perceived risk associated with providing assistance to persons with disabilities, and or risks of injury while in transit. Concerns include passenger injury and workplace injury to the driver.
5.3.7 LIMITED DRIVER SCREENING

In smaller communities without comprehensive taxi regulations or industry oversight, there may not be adequate driver background screening to comfortably satisfy the criminal background screening requirements of public agencies serving persons with disabilities or older adults. In some cases background checks can be limited to ensuring that participants have valid driver licenses.

5.3.8 PARTICIPATION IN RANDOM DRUG AND ALCOHOL TESTING PROGRAMS

Taxi companies or TNC drivers may not be willing to participate in an approved random drug and alcohol testing program for fear that they may, on occasion, not pass.\(^\text{21}\) As a way of keeping overheads to a minimum, taxi companies may be reluctant to incur the cost of implementing and maintaining their own ongoing testing program. In some jurisdictions, taxi companies are mandated to have a random drug and alcohol testing program.

5.3.9 LIMITED INDUSTRY-BASED DRIVER TRAINING OR DISABILITY SENSITIVITY TRAINING PROGRAMS

Unless motivated by good business practice or mandated under local taxi ordinances, taxi companies may not provide customer service training beyond an overview of key local trip generators and attractors, critical requirements of the local taxi ordinance, and company rules and procedures. To offer accessible taxi services or to effectively partner with a public transportation agency, wheelchair handling and driver assistance training and disability orientation/sensitivity training workshops may be required. In terms of the latter, sensitivity training must include, in addition to the handling of a mobility device, broader aspects of accessibility needs including persons with a sensory, cognitive, and other physical limitations.

In practice, there may exit resistance of some taxi drivers to provide the necessary assistance to passengers with disabilities. Reasons include inherent personal prejudices or a perception that the time necessary to assist a passenger with a disability adds too much non-revenue time to each trip. This also could be affected by liability risk concerns.

5.3.10 LIMITED TAXI ORDINANCE ENFORCEMENT RESOURCES

Some jurisdictions may not have sufficient staff resources to effectively monitor and enforce compliance with local taxi ordinances. This may include the provision of wheelchair accessible taxi services where mandated by the local regulations.
taxi ordinance. With supplemental taxi service contracts, local public transportation agencies may also lack the staff to monitor and enforce compliance with service agreements. “The problems with taxis most frequently cited relate to a lack of accessible vehicles, oversight and contract compliance, and service quality and reliability.”

5.4 Sampling of Accessible Taxi Initiative Approaches

5.4.1 CONTROLLED ISSUANCE OF TAXI MEDALLIONS

There are cases, where taxi supply is strictly controlled through the issuance of taxi medallions (licenses) that wheelchair accessible taxi programs have been successfully implemented through the restricted issuance of new medallions exclusively to companies or independent owner-operators who intend to operate wheelchair accessible taxis.

Anchorage provides a good example of this type of initiative where a limited number of taxi permits were issued to taxi companies for the operation of accessible taxis. The number of taxi permits for accessible vehicles was increased from five to ten in 2013. The Muni required that permit holders absorb the cost of making their vehicles accessible, but also discounted permit fees by about 50% at the time of auction. However, increasing the number of accessible cabs in Anchorage only partially addressed concerns by consumers, who reportedly continue to express concern not only with long wait times, but also the condition of accessible vehicles, driver behavior, and lax enforcement of taxicab laws.

Similarly, Vancouver, British Columbia and San Francisco, California limited the number of new taxi medallions/licenses and were issued to taxi operators who agreed to operate wheelchair accessible taxis. In both cases, the objective was to have general for-hire taxi services available 24/7 to persons using wheelchairs throughout the respective service areas. The San Francisco example has been well documented with a brief overview provided below.

San Francisco Municipal Transportation Agency (SFMTA)

The San Francisco Municipal Transportation Agency (SFMTA) oversees public transportation in the City of San Francisco. SFMTA has used taxis in the delivery of transportation services for people with disabilities and older adults since 1981. Accessible taxi services were introduced through SFMTA’s regulatory authority over the local taxi industry. SFMTA’s Wheelchair Accessible Ramp Taxi Program introduced accessible taxis through the issuance of taxi medallions to taxi operators who agreed to operate wheelchair accessible taxis with the stipulations that: participants would procure an approved accessible taxi; would provide 24/7 coverage; and handle a minimum
of 10 wheelchair trips per month. SFMTA also mandated that all licensed taxi companies, included those participating in the Wheelchair Accessible Ramp Taxi Program would participate in SFMTA's subsidized transportation programs for persons with disabilities and older adults. This latter participation offered a market to supplement the taxi operator's general population for-hire market. SFMTA actively monitors and enforces the monitors the Wheelchair Accessible Ramp Taxi Program.

In San Francisco, agencies such as the Institute on Aging (IOA) use accessible taxi services to supplement their own client transportation services for medical appointments and program participation at the IOA Center. In the case of IOA, they have a short list of willing taxi drivers and pay on a pay-as-you-go basis at the full meter rate using agency credit cards. IOA has recently started using accessible taxis to offset the need to add additional buses to their core service for daily program participation and to reduce onboard travel time to program participants living in outlying areas of the City. Trip assignments are coordinated by IOA's contracted transportation service provider. Recently, IOA through their prime service contractor is contracting on a trial basis with Lyft to provide service to their ambulatory clients.

5.5 Public Agency Vehicle Purchasing and Leasing to Private Taxi Operators

In a survey published in 2010, TLPA reported that 11% of all accessible taxis operated in the United States were purchased using federal New Freedom Program funding. The following provides an overview of two transportation agencies, Marin Transit and the Rhode Island Public Transit Authority (RIPTA). Both purchased accessible taxis with federal grant funding and provided them to private taxi operators for use in wheelchair accessible taxi services.

Marin Transit

In 2008, Marin Transit (responsible for local transit service in Marin County, California) purchased two wheelchair accessible minivans with federal grants and leased them to a local taxi broker, On the Move, (at a minimal annual lease cost) for use in general taxi for-hire service and to provide overload service to Marin Transit’s Access Paratransit service (ADA Complementary Paratransit Service). In 2012, Marin Transit determined that and two accessible minivans were beyond their useful service life and transferred ownership to On the Move. In 2013, Marin Transit introduced their Catch-a-Ride subsidized taxi program for persons with disabilities and older adults. The initial objective was to use the two available accessible taxi minivans in this program. However, On the Move as well as other local taxi companies went out of business in 2015. This in effect removed the accessible minivans from active taxi service and availability

for the Catch-a-Ride Program. Marin Transit currently has a contract with MV Transportation to coordinate ambulatory service for the Catch-a-Ride Program and is discussing with a new independent wheelchair transportation operator, Wheels-on-Time to provide wheelchair “taxi” service for Catch-a-Ride.

Rhode Island Public Transit Authority (RIPTA)

In 2012 RIPTA purchased thirteen accessible taxis and sold them to local taxi companies with the objective to improve more spontaneous travel options for persons requiring a wheelchair accessible vehicle. Five taxi companies throughout the State participate in RIPTA’s accessible taxi initiative. The thirteen vehicles are in regular taxi service. Passengers book directly through the local taxi provider and regular general public taxi fares apply.

5.6 Blanket Legislation

As discussed in the Introduction, ADA’s Title III defines accessible service requirements for taxis companies. Defined are requirements to: have wheelchair service “readily” available to persons requiring wheelchair accessible taxi services; acquire a wheelchair accessible vehicle when procuring or leasing a new service vehicle (other than a sedan-type automobile), such as a van with a seating capacity of fewer than eight persons (including the driver), unless the company is already providing “equivalent service”; provide a service level equivalent to the service provided to the general public; and ensure proper training for drivers.

Besides ADA requirements, local jurisdictions and regional authorities can drill down and clearly define wheelchair accessible service requirements in their taxi ordinances. In a Canadian survey conducted in 2013, 10 (63%) of 16 jurisdictions surveyed stated that they mandated taxi operators to provide wheelchair accessible services through their respective taxi bylaw.24 In 2012, the State of Nevada, through the Nevada Taxicab Authority mandated that all licensed taxi operators must provide wheelchair accessible taxis services.

5.7 Independent Initiatives

In a true entrepreneurial spirit there have been independent initiatives to explore the market for wheelchair accessible taxi services. Two are highlighted below.

Wheels on Time (Marin County)

In September 2015, a local entrepreneur and member of the disability community put two MV-1 vehicles into service under the Lyft and Uber umbrellas. This is a family owned and operated service available on a for-hire

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basis and once receiving proper limousine licensing from the California Public Utilities Commission will begin to officially provide wheelchair accessible service to Marin Transit’s Catch-a-Ride subsidized taxi program.

**VETaxi (Pittsburgh PA)**

VETaxi is a veteran operated taxi company in Pittsburgh PA with a fleet including wheelchair accessible MV-1s. It has a clear marketing effort that focuses on persons with disabilities. VETaxi offers an App that facilitates the online reservation of wheelchair accessible taxi services.

**Web-Based/On-Line Enabled Transportation Platforms**

Online TNCs such as Lyft and Uber offer interesting future alternatives for wheelchair accessible for-hire services. With online reservation technologies it will become increasing easy for persons with disabilities to specify their vehicle requirements. This assumes that Lyft and Uber operators will see a potential market in the provision of wheelchair accessible for-hire transportation services, and procure and operate wheelchair accessible vehicles.

In 2016, the Massachusetts Bay Transportation Authority (MBTA) announced a proposed partnership with Lyft and Uber to participate in an MBTA sponsored subsidized taxi program that would facilitate a direct online of service for eligible program participants. This pilot project has been put on hold pending the announced (October 2016) FTA Mobility on Demand Sandbox Program to develop online mobility tools to enhance the integration of transportation options including on demand services. Mobility models developed under the Mobility on Demand (MOD) Sandbox Program umbrella could have a great impact on the integration of existing taxis operations and online service providers such as Lyft and Uber onto a “family of services” dashboard of available mobility options to persons with disabilities. To be really effective, FTA will need to incorporate wheelchair accessible service provisions into the roll out of alternatives.

6. **RECOMMENDATIONS – A WAY FORWARD**

The following presents a series of recommendations for advancing a Borough-specific implementation plan and reflecting the previously presented guiding principles:

a) On-demand taxi/vehicle-for-hire service should be founded on the principle of full access, integration, and inclusive design;

b) Accessible and non-accessible taxi/vehicle-for-hire service should be available to the public on a similar basis (24/7 on demand service) with similar performance standards;

c) Accessible and non-accessible taxi/vehicle-for-hire customers should be charged the same fare for similar service provided;
d) Any decision with respect to on-demand accessible taxi/vehicle-for-hire service should be based on a long term sustainable solution for all participants in the industry;

e) Every effort should be made to avoid or minimize taxpayer subsidy; and

f) Customer safety will be a priority and accessible service will be provided by qualified drivers.

Recommendations (presented to address barriers to entry, participation or sustainability) speak to opportunities within the scope of influence of both the FNSB and the City of Fairbanks. The latter being the regulatory authority and party responsible for the vehicle-for-hire industry. The nature of recommendations are such that the FNSB may influence the financial viability and sustainability of an accessible taxi program. Equally, it is important to entrench requirements in the *Fairbanks General Code* (Article II. - Vehicles for Hire).

**Fairbanks North Star Borough**

**A. Limitations of Market for Wheelchair Accessible Services**

**Recommendation 1. Van Tran incorporate the use of taxis (sedan and wheelchair accessible) to supplement the core Van Tran services**

**Timeframe:**
- Incorporate in negotiations of next collective agreement.
- Target to implement the use of supplemental taxi services by July 1, 2018.

For-hire service providers are market driven and must see a potential market for wheelchair accessible services. FNSB can create a base market by involving the use of (sedan and) accessible taxis in the Van Tran delivery framework. The creation of a base market is an important factor in contributing to the sustainability of market for accessible taxi services.

With the understanding that the current collective agreement expires in 2018, future contract negotiations should include provisions for contracting out portions of Van Tran service. Further, with the prospect of future accessible taxis being available in Fairbanks, their use in the Van Tran delivery framework will contribute to their financial viability while contributing to cost containment of future Van Tran budgets.

The use of supplemental taxis should be incorporated into the Van Tran reservations and scheduling functionalities to ensure the effective and efficient use of these supplemental services. The consultant would not advocate for the use of taxi vouchers or user-side subsidies as these programs, while
effective in some operating environments, may fragment the Van Tran market and detract for any ability to maximize scheduling efficiencies.

Acquired through a competitive procurement process, it is incumbent upon FNSB staff prepare a performance-based contract for the delivery of supplemental taxi services. Such a contract will address both operational performance and qualitative aspects of taxi service delivery including but not restricted to: response times, on-time performance and driver training.

**Recommendation 2.** FNSB staff facilitate on-going dialogue with the Fairbanks Transportation Partnership Group regarding additional opportunities for the contracted use of accessible taxis.

**Timeframe:** Commence in January 2017 – on-going.

### B. High Cost to Purchase and Maintain Wheelchair Accessible Taxis

**Recommendation 3.** FNSB make one MV-1 vehicle available through a low cost leasing arrangement to an approved taxi operator.

**Timeframe:** Target to implement by July 1, 2018.

**Recommendation 4.** FNSB include accessible taxis in annual capital program based on realistic life cycle replacement schedules and as appropriate replace wheelchair accessible vehicles on lease to for-hire operator. FNSB to establish service contract rates for agency sponsored services that realistically consider higher maintenance costs for wheelchair accessible vehicles.

**Timeframe:** As required – future budget cycles and preparation of contract documents.

### C. Need to Reflect Cost Differentials in the Provision of Accessible Taxi Services Including:

i. Density of Demand and Lengthy Deadheading

ii. Higher Insurance Coverage Requirements of Public Transportation Agencies

iii. Fear of Exposure to Potential Liability

iv. Limited Driver Screening

v. Participation in Random Drug and Alcohol Testing Programs

vi. Limited Industry-based Driver Training or Disability Sensitivity Training Programs
Recommendation 5.

vii. FNSB recognize the need to deadhead potentially long distances to serve relatively short trips, and establish contracted rates for agency sponsored services that realistic consider average system-wide trip lengths that include return deadheading, or establish a premium incentive to cover relatively long deadhead mileage.

viii. It may be necessary for the FNSB to establish an umbrella secondary insurance policy to make up the difference between the existing for-hire service provider’s coverage and the coverage required by the FNSB.

ix. FNSB to incorporate the mandatory requirement for wheelchair handling and disability sensitivity training in any service contract.

x. FNSB to formally require driver background checks in any service contract and provide oversight to ensure ongoing compliance.

xi. FNSB to formally require participation in a random drug and alcohol testing programs that meets federal requirements. Requirements should be included in any service contract and provide oversight to ensure ongoing compliance.

xii. FNSB to facilitate (or provide) limited Industry-based driver training and disability sensitivity training program.

Timeframe: Target to implement by July 1, 2018. Incorporate in contract documents.

FNSB - City of Fairbanks (General Code)

D. Absence of Reference to Accessible Taxis in City of Fairbanks General Code (Chapter 86 – Vehicles for Hire)

Recommendation 6. FNSB to work with the City of Fairbanks to develop language for inclusion in the City’s General Code (Chapter 86 – Vehicles for Hire) to reference accessible taxis.

An Ordinance amending Chapter 86 of the General Code shall include but not be restricted to inclusion of language referencing:

i. Ordinance enforcement procedures

ii. Driver screening

iii. Driver training including disability awareness and wheelchair handling (ADA compliant)
iv. Requirements that fares for accessible vehicles be the same as that for taxi sedan services.

v. Accessible taxi services be provided during the same hours of day, days of week and area of service as that of taxi sedan services.

**Timeframe:** Commence in January 2017 – on-going.

While the use of an accessible taxi vehicle operating under contract to the FNSB or other contracting agency can be governed by terms and conditions of a performance-based contract, performance and qualitative standards need to be entrenched within the vehicle for hire regulatory framework in order to provide the same assurances for the public at large (including people with a disability). Suggested language for inclusion in Chapter 86 of the General Code may include:

1. Every applicant for an accessible taxi driver's license shall:
   - Hold a valid Chauffeur License;
   - Submit proof of successful completion of a training program dealing with transportation of the disabled;
   - Produce his or her Chauffeur License for endorsement as a licensed accessible taxicab driver; and
   - Securely fasten all wheelchairs or other approved mobility device using an approved securement system.

2. No vehicle may be operated as an accessible taxi unless it has approved wheelchair tie downs and complies with all applicable legislation and regulations.

3. Every licensed taxi driver operating an accessible taxi vehicle shall, if requested, assist a disabled or elderly person to get into and out of the taxi and ensure the passenger is properly secured in the vehicle prior to transport.

4. Every licensed accessible taxi driver shall give priority to the use of the accessible taxi by persons with disabilities, and thereafter permit its use for non-disabled passengers.

Further, for the operation of an accessible taxi, the City should consider waiving the fee for the Chauffeur License Application, Commercial Transport Vehicle Company License Application, and the Commercial Transport Vehicle Permit Application.
Appendix A: Presentation Material

Stakeholder Consultation – Working Group

July 2016
Accessible Taxi Service
Feasibility Study

July 2016
Presentation Outline

• Study Objectives
• Fairbanks Taxi Program
• Industry-wide Experience
• Discussion:

Your ideas and opinions on opportunities for accessible taxis in our community

Your input on:
  o CURRENT CUSTOMER BASE / MARKET POTENTIAL?
  o ISSUES & CHALLENGES ? HOW ENSURE FINANCIAL VIABILITY?
  o ELEMENTS OF AN EFFECTIVE ACCESSIBLE TAXI PROGRAM?
• Determine *financial & operational* feasibility of accessible taxi service

• Profile current taxi environment
• Peer review / description of an effective accessible taxi operation
• Market assessment (demand estimation)
• Borough specific implementation plan
• *Consultation important part of process*
Profile Current Taxi Environment

Taxi Operations
- Management / ownership & organizational structures
- Fleet information
- Profile call-taking & dispatching methodologies
- Current public or private contract activity

Taxi Regulations
- Fairbanks General Code
  - Revisions to Chapter 86 (Vehicles for Hire) – June 2015
  - Update local commercial transport vehicle (revised to read – Vehicle for Hire) regulations with broader definition of service & vehicle types
- City licenses drivers, vehicles & companies
  - Chauffer license
  - Vehicle for Hire - vehicle company license
  - Vehicle for Hire - vehicle permit
- Regulatory oversight
Peer Review

- Models of accessible taxi services – urban & rural;
- Taxi vehicle design and specification;
- Technology used to support service delivery;
- Level of government intervention and incentives;
- Level of driver training and codes of practice;
- TNCs - the “Uberization” of vehicle for hire & transit industries;
- The use of supplemental taxis in the paratransit / transit delivery framework;
- Taxi industry structure; and
- Financial implications and solutions.
Borough’s Coordination Plan – 2015
(Fairbanks Transportation Planning Group)

- Number of agencies/organizations providing client specific transportation and/or user side subsidies.

FNSB Van Tran Service

- Supplemental taxi services

**Van Tran:**
- 320+ registrants
- Over 21,000 trips/year
- Over $1.2m annual cost
Incentives for accessible taxis

• **Federal** (private sector participation themes in FAST (Fixing America's Surface Transportation Act)

• **Borough/Local:**
  • Levy a per ride surcharge on all taxis to subsidize accessible taxis
  • Mandate that a percent of the taxi fleet be accessible.
  • Provide additional or discounted licenses for accessible taxis.
  • Reduce licensing fees and provide tax credits for accessible taxis.
  • Add a fee for non-accessible taxi owners.

• **Other Incentives**
  • Partnerships between MACS/Van Tran and taxi providers for the provision of paratransit service – supplemental taxi service
  • Other agencies / organizations?
  • Per trip subsidies and / or voucher programs (taxi scrip)
Challenges & Opportunities

- Expense of vehicle?
- Threshold of demand – to ensure financial viability
- Customer – affordability?

Need to address:


2. What strategies do agencies/organizations pursue to establish an effective operation?

3. What specific conditions must exist from the taxi company perspective to make operating one or more accessible taxicabs a worthwhile endeavor?

Contracts:
- Meter rate?
- Per trip?
- Per mile?
- Per hour?
Market Assessment?

• Opportunities for accessible taxi services?
  – Contracted? [Supplemental taxi services]
  – User-side Subsidies?
  – Vouchers?

Elements of an Effective Accessible Taxi Program?
What do you think about?

• Market assessment – demand-side of the equation?
• Elements of an effective accessible taxi program?
• Barriers to entry?
• How ensure financial viability?
• Application of technology?

Anything else?
Accessible Taxi Service

Feasibility Study

July 2016

THANK YOU