

Scope of Study

Taxicab and Livery Vehicle Regulation

There are 105 taxicab companies and 299 intrastate livery companies in Connecticut. The Connecticut Department of Transportation (DOT) regulates taxicabs and motor vehicles in livery service as well as motor buses and intrastate moving companies. Unlike taxicabs, livery services do not have meters and are defined in statute as businesses that transport passengers for hire (C.G.S. Sec. 13b-101), such as limousines and medical transporters.

Regulation of taxicabs and livery services encompasses market entry, fares, and service and safety standards. The Connecticut Department of Motor Vehicles (DMV) inspects taxicabs and livery service vehicles, registers taxicabs and livery vehicles, and licenses taxicab and livery drivers. Additionally, the Department of Social Services (DSS) contracts for medical transport livery services for some of its clients.

Recent concern has been raised about the regulation of the Connecticut taxicab industry, including operational, administrative, and governance issues. Frequently questioned are: the standards for issuing taxicab certificates, including whether there are undue barriers to entry; the current level of competition; and the procedures for licensing taxicab operators. Suggested remedies have included the establishment of a state ombudsman and/or a taxicab and limousine commission, as well as deregulation of the industry. Questions have also been raised about the adequacy of DSS reimbursement for medical transport livery services, and the enforcement of regulations prohibiting out-of-state limousines from operating in Connecticut.

In 2006, a 10-member task force made up of representatives of the legislature's transportation committee, several state agencies, and the taxi industry examined the existing regulatory system for taxicabs. The task force final report outlined issues that could be addressed administratively by the state agencies involved in the process (i.e., revision of administrative hearing procedures and expanded efforts at joint enforcement of taxi regulations). The report offered two options for improving registration, inspection, and enforcement functions—one that required additional resources, and one that did not. The task force was unable to reach agreement on other specific issues as well as broader governance issues. The task force recommended the Legislative Program Review and Investigations Committee study the unresolved issues, possibly expanding the scope to include other closely related regulated industries such as livery service.

AREA OF FOCUS

This study is focused on determining the appropriate level of regulation for taxicabs and livery service in Connecticut. Additionally, the study will address the specific questions unanswered by the taxicab task force, including operational, administrative, and governance issues (e.g., requiring the use of child car safety seats in taxis, the applicability of rule violations to individual drivers not just taxicab companies, and clarification of the requirements to obtain new or expanded certificates of public convenience and necessity).

Scope of Study

AREAS OF ANALYSIS

- 1) Describe Connecticut taxicab and livery vehicle statutes and regulations including definitions and the process for obtaining new or expanded certificates of public convenience and necessity to operate taxicab and livery services.
- 2) Examine actual operations and outcomes of certificates of public convenience and necessity activities including:
 - a. resources of DOT and other parties;
 - b. adherence to required time frames;
 - c. consistent application of criteria; and
 - d. number and patterns of approvals and denials.
- 3) Assess the relationship between consumer satisfaction (including number and type of complaints to DOT) and level of competition (including number and size of taxicab companies servicing geographic areas, and demand to operate services).
- 4) Identify and analyze issues related to enforcement of statutes and regulations for the operation of taxicab and livery services such as use of child car safety seats, seat belts, cell phones, hours of operation, and refusal to transport clients.
- 5) Review issues related to the driver-company relationship such as driver status (independent contractor vs. employee) and treatment of driver infractions.
- 6) Review the role of DOT, DMV, and other state agencies in the taxicab and livery industry:
 - a. identify any areas of overlap; and
 - b. suggest possible ways the current system could be made more efficient or otherwise improved.
- 7) Describe efforts of the taxicab task force including recommendations and implementation of recommendations.
- 8) Examine how taxicab and livery services are regulated in other states.
- 9) Analyze the advantages and disadvantages of deregulation of the taxicab and livery industry including benefits to consumers.

AREAS NOT UNDER REVIEW

The study will examine taxicab and (intrastate) livery service regulation. Other transportation services licensed and regulated by the Department of Transportation such as motor bus or household goods moving businesses within the state of Connecticut will not be included.