TAXICAB AND LIVERY VEHICLE REGULATION

Introduction

- The public relies on taxi and livery service to get to work, school, grocery shopping, doctor's appointments, and their weddings.
- PRI staff did not see evidence of sizeable barriers to market entry.
- PRI staff concluded that proof of public convenience and necessity for market entry should be maintained as it controls the flow of cabs into particular towns and cities, helping to avoid over saturation of the market and poor service.
- The greatest concerns found in this study pertained to taxi vehicle safety.

Section I: Taxi Market Entry and Expansion

- The Connecticut taxi industry has experienced growth during the past decade.
- Nearly three-quarters of new applications were approved fully or at least partially (i.e., fewer cabs or territories than requested).
    - However, Connecticut takes a significantly longer time to process applications according to information reported by comparison states.
- Market entry is almost twice as likely to occur through a sale and transfer than from the new application process.
- PRI staff believes Connecticut should continue to regulate its taxicab market entry and expansion with the current three requirements: proof of public convenience and necessity; applicant suitability; and financial wherewithal.

Section II: Taxi Safety

- The safe operating condition of taxicab vehicles in Connecticut is regulated in four ways:
    - Initial vehicle inspections
    - Certificate holder self-inspections
    - Occasional DOT requested inspections
    - Biennial registration renewal inspection

- In 2003, the frequency of taxicab inspections changed from once every six months to every other year.
    - Also, instead of the inspection being done by DMV employees at a DMV inspection lane, it changed to being done by an independent garage licensed by the DMV Dealers and Repairers Unit.
    - PRI staff found a lower vehicle failure rate for inspections that occurred at private garages compared with inspections at DMV lanes.
- Of 43 vehicles recently inspected jointly by DMV and DOT at two train stations and Bradley International Airport, 41 failed the inspection (95 percent failure rate) including at least six vehicles towed from the inspection site.
- Currently, the consequences for certificate holders who fail to adhere to taxi statutes and regulations are minimal.
- The Connecticut taxi accident rate is twice as high as the school bus accident rate and more than quadruple the passenger vehicle rate.

Section III: Taxi Service and Rates of Fare

- There are a number of towns with no taxi service at all, and a case of public convenience and necessity could easily be made for areas with no service at all.
- With the exception of alleged pick up of passengers outside of authorized territories, the vast majority of complaints are substantiated when investigated by DOT Regulatory and Compliance Unit investigators.
- Meter rates rarely increased more than once during the five-year period of 2003-2007.
- Taxicab rates vary by location and are unpredictable for the passenger.
    - The charge for each way of a roundtrip taxi ride may be different, depending on the authority the taxicab is operating under.

Section IV: General Livery

- The current livery regulations have been in effect since 1965, and have not been updated in 40 years.
- Livery vehicles with a seating capacity of seven or less are not inspected by anyone unless sold, transferred or have their seating capacities modified, in which case they are inspected by DOT.
    - Connecticut is below livery industry standards to the possible detriment of passenger safety.

- There is currently an inconsistency in suitability standards for applicants of taxicab and livery authorities.
    - Livery applicants are not required to pass a federal criminal background check.

Section V: Medical Livery

- Nonemergency medical transportation services in Connecticut are currently operating under a 12-month extension of the DSS contracts with two brokers.
- The PRI staff review of DOT records does not show evidence that a significant number of NEMT providers have stopped offering nonemergency medical transportation services.
    - There are more than 50 nonemergency medical transportation providers currently under contract with LogistiCare and First Transit.
- All new medical livery applications were approved fully or at least partially (i.e., because only one of the two brokers was present at the public hearing).
    - The lengthy processing time creates barriers to market entry and service to passengers requiring medical transportation.
- There is currently no way to visually distinguish between vehicles in general livery versus medical livery service.

Section VI: Agencies

- There is very little duplication of effort among the five state agencies overseeing the various aspects of taxicab and livery vehicle regulation.
- The Department of Transportation is not meeting its full responsibilities for taxicab and livery vehicle regulation.
    - For any improvement to occur in the regulation of Connecticut's taxicabs and livery vehicles, the Department of Transportation needs to renew its commitment to taxicab and livery regulation responsibilities.
- Current resources are insufficient to provide acceptable oversight of regulation of the Connecticut taxicab and livery industry.

Staff Recommendations

Section I: Taxi Market Entry and Expansion

1. **The DOT Administrative Law Unit hearing officers should prepare a plain language explanation about the type of evidence that may establish public convenience and necessity for new certificate applicants, including what is considered unacceptable evidence.**

2. **Taxicab certificate decisions shall be published on the DOT website within 30 days of outcome.**

3. **C.G.S. 13b-97(a) shall be amended to increase the fee for a taxicab certificate application to two hundred dollars.**

4. **The DOT Regulatory & Compliance Unit should make the following changes to the Taxi Applications:**

    - **New Taxicab Authority to include a question about how the applicant will cover the required 24 hours per day, seven days per week availability of service.**
    - **Separate questions on disclosure of motor vehicle criminal history within the past 10 years from other criminal history within the past 10 years**
    - **Require listing of hours of operation**
    - **Request attorneys representing applicants to file an appearance with the DOT**
    - **Description of record keeping system, including location of records to be kept for DOT inspection**
    - **Require statement on application form that applicants must update any financial information five days before the public hearing**

5. **The Regulatory and Compliance Unit should assess whether any applicant, regardless of current certificate holder status, has any outstanding complaints. This information should be part of the information communicated to the Administrative Law Unit in preparation for any public hearing on an application.**

6. **Taxi applicants should be required to supply updated financial information to the Utilities Examiner five days prior to the hearing.**

7. **In addition to the DOT Regulatory and Compliance Unit utility examiner, a member of the DOT Regulatory and Compliance Unit with non-financial perspective should be a party to the Administrative Law Unit public hearings, representing the viewpoint of the unit on the taxi application or citation under consideration.**

8. **The regulations shall be amended to eliminate the expedited application process for taxicab vehicles.**

9. **C.G.S. Sec. 13b-97(c) shall be amended to specifically prohibit partial sales of taxi certificate interests.**

Section II: Taxi Safety

10. **DOT regulations shall be revised to require written records of quarterly certificate holder self-inspections to be submitted to the Department of Transportation within 30 days of inspection. DOT shall review the quarterly self-inspection records to determine if the inspections are occurring and take appropriate steps to address any missing inspections.**

11. **DOT regulations shall be revised to require the Department of Transportation to verify that documented repairs were actually made by inspecting a random sample of the vehicles and comparing the results with the quarterly written records.**

12. **DOT regulations shall be amended to require unannounced inspections to occur quarterly, at least four times per year. Some of the inspections shall be joint inspections with DMV inspectors.**

13. **C.G.S. Sec. 13b-99(b) shall be revised to require all taxicabs to be inspected annually by dealers and repairers.**

14. **The certificate holders shall send the paperwork documenting the inspections by the independent garages to the Department of Transportation within 30 days of inspection. The DOT shall review the paperwork for timeliness and completeness, following up with certificate holders for whom the requisite paperwork is missing or incomplete. The DOT shall also calculate pass/fail rates for garages.**

15. **The Department of Transportation should work with the Department of Motor Vehicles to have independent garages with unusually low failure rates investigated.**

16. **In its review of inspection documentation, the Department of Transportation should confirm there is no ownership conflict with the independent garage used by the certificate holder.**

17. **The regulations shall be amended to require each certificate holder at least once a month to review the automated DMV license suspension/endorsement withdrawal database to determine whether its drivers continue to be qualified to drive taxicabs. The DOT shall perform this function for single vehicle certificate holders.**

18. **All certificate holders should be required by the DOT Regulatory and Compliance Unit to have access to a computer with internet capability, including the ability to access the automated DMV license suspension/endorsement withdrawal database.**

19. **The Employment Misclassification Enforcement Commission should consider the status of taxicab drivers.**

20. **C.G.S. Sec. 13b-97(c) shall be amended to allow the Department of Transportation to impose a maximum civil penalty on any person, association officer, limited liability corporation, or corporation who violates any taxi law or regulation relating to fares, service, operations, or equipment of $1,000 per day per violation.**

21. **Any certificate holder found to have violated a taxicab statute or regulation shall be prohibited from submitting any future applications to the DOT Regulatory and Compliance Unit for a period of 12 months from the date of the administrative hearing decision.**

22. **The taxicab certificate holders pay an annual fee to the DOT of $400 per vehicle to cover the cost of enforcement of safety and other taxicab regulations.**

23. **C.G.S. Sec. 14-29(a)(2) shall be amended to discontinue the Department of Transportation practice of allowing self-insurance of taxicabs.**

24. **C.G.S. Sec. 14-100a shall be amended to exempt taxicabs from the state child safety car-seat law.**

Section III: Taxi Service and Rates of Fare

25. **For any taxicab certificate authorized to operate up to 15 taxicabs, the certificate shall provide that all authorized vehicles may operate in all towns and cities noted on the certificate.**

26. **A new taxicab company shall operate for at least one year before requesting authorization to operate at Bradley International Airport.**

27. **The DOT should consider inviting applications for new service in underserved areas.**

28. **The Regulatory and Compliance Unit staff should stamp the date of receipt of a written complaint and record all complaints in the Complaint Logbook within three business days of receipt of complaint. Complaints shall be investigated by the appropriate DOT staff and outcome of investigation documented in the Complaint Logbook and a written response sent to the complainant within 10 business days of completion of the complaint investigation.**

29. **The complaint form should be revised to add the email address and fax number of the DOT Regulatory and Compliance Unit for return of the completed complaint form.**

30. **Connecticut shall have uniform taxicab meter rates of fare across the state.**

31. **Taxicab meter rates of fare will be assessed by the DOT Regulatory and Compliance Unit every six months. Any proposed rate changes will be published and a hearing held by the Administrative Law Unit prior to approved rate changes.**

Section IV: General Livery

32. **The Department of Transportation should resume efforts to draft updated livery regulations in order to submit the revisions to the Regulation Review Committee by January 1, 2010.**

33. **C.G.S. Sec 13b-103(a)(4) shall be amended to eliminate the expedited application process for livery vehicles.**

34. **The DOT Administrative Law Unit hearing officers should prepare a plain language explanation about the type of evidence that may establish public convenience and necessity for new permit applicants, including what is considered unacceptable evidence.**

35. **Livery permit decisions shall be published on the DOT website within 30 days of outcome.**

36. **The DOT Regulatory & Compliance Unit should make the following changes to the Livery Applications:**

    - **Separate questions on disclosure of motor vehicle criminal history within the past 10 years from other criminal history within the past 10 years**
    - **Request attorneys representing applicants to file an appearance with the DOT**
    - **Description of office hours and office staff, and record keeping system, including location of records to be kept for DOT inspection**
    - **Require statement on application form that applicants must update any financial information five days before the public hearing**

37. **Livery applicants should be required to supply updated financial information to the Utilities Examiner five days prior to the hearing.**

38. **The Regulatory and Compliance Unit should assess whether any applicant, regardless of current permit holder status, has any outstanding complaints. This information should be part of the information communicated to the Administrative Law Unit in preparation for any public hearing on an application.**

39. **In addition to the DOT Regulatory and Compliance Unit utility examiner, a member of the DOT Regulatory and Compliance Unit with non-financial perspective should be a party to the Administrative Law Unit public hearings, representing the viewpoint of the unit on the livery application or citation under consideration.**

40. **C.G.S. Sec. 13b-103(c) shall be amended to specifically prohibit partial sales of livery permit interests.**

41. **The Department of Motor Vehicles shall inspect all newly registered livery vehicles regardless of seating capacity.**

42. **The DMV shall require proof of vehicle inspection as part of the livery vehicle registration renewal process.**

43. **Unannounced inspections of livery vehicles should occur at least once per year. The inspections should be joint inspections with DMV inspectors.**

44. **The regulations shall be amended to require each livery permit holder at least once a month to review the automated DMV license suspension/endorsement withdrawal database to determine whether its drivers continue to be qualified to drive livery vehicles. The DOT shall perform this function for single vehicle livery permit holders.**

45. **All livery permit holders should be required by the DOT Regulatory and Compliance Unit to have access to a computer with internet capability, including the ability to access the automated DMV license suspension/endorsement withdrawal database.**

46. **C.G.S. Sec. 13b-103(b) shall be amended to require both federal and state criminal background checks for all livery permit applicants.**

47. **Any permit holder found to have violated a livery statute or regulation shall be prohibited from submitting any future applications to the DOT Regulatory and Compliance Unit for a period of 12 months from the date of the administrative hearing decision.**

48. **The livery permit holders pay an annual fee to the DOT of $400 per vehicle to cover the cost of enforcement of safety and other livery regulations.**

Section V: Medical Livery

49. **The requirement of an automatic public hearing by the DOT Administrative Law Unit for a medical livery permit should be abolished when there is no protest of the application. However, at his or her discretion, the Administrative Law Unit Hearing Officer may decide to hold a hearing for reasons such as concern about criminal background of applicant.**

50. **DSS should monitor the impact of broker contract increases on provider payments.**

51. **The brokers should be required by DSS to identify the payor source when reimbursing providers for nonemergency medical transportation services.**

52. **DSS should require the brokers to annually send a list to DOT containing the names of the nonemergency medical transportation providers under contract.**

53. **DSS and DOT should periodically remind any DSS broker of its obligation to notify DOT when a contract with a medical livery company is cancelled.**

54. **The DOT Regulatory and Compliance Unit shall notify DSS brokers in writing within three days of the revocation of the permit or certificate of any nonemergency medical transportation provider.**

55. **DMV should issue an "M" plate or in some other way distinguish a medical livery plate from a general livery plate.**

Section VI: Agencies

56. **A memorandum of agreement should be drafted between the DOT and DMV providing that staff responsible for taxi and livery regulation should meet at least quarterly to discuss concerns, problem-solve, implement solutions, coordinate, and communicate information regarding oversight of taxi and livery regulation.**

57. **The DOT should take proactive steps in the oversight of the taxi and livery industries. Evidence of these proactive steps would include: restitution of staff resources necessary to adequately enforce regulations; evidence that inspections have resumed and quarterly certificate holder inspections are occurring; and an increase in their participation in public hearings.**

58. **The Department of Transportation should add two additional positions, at least one of which is an investigator position.**