



Taxicab Franchise Transition – January 20, 2022



City of Austin
Transportation Department



Taxicab Franchise Operators

Current Franchise Operators

ATX Co-Op Taxi

Central City Taxi

Yellow Cab

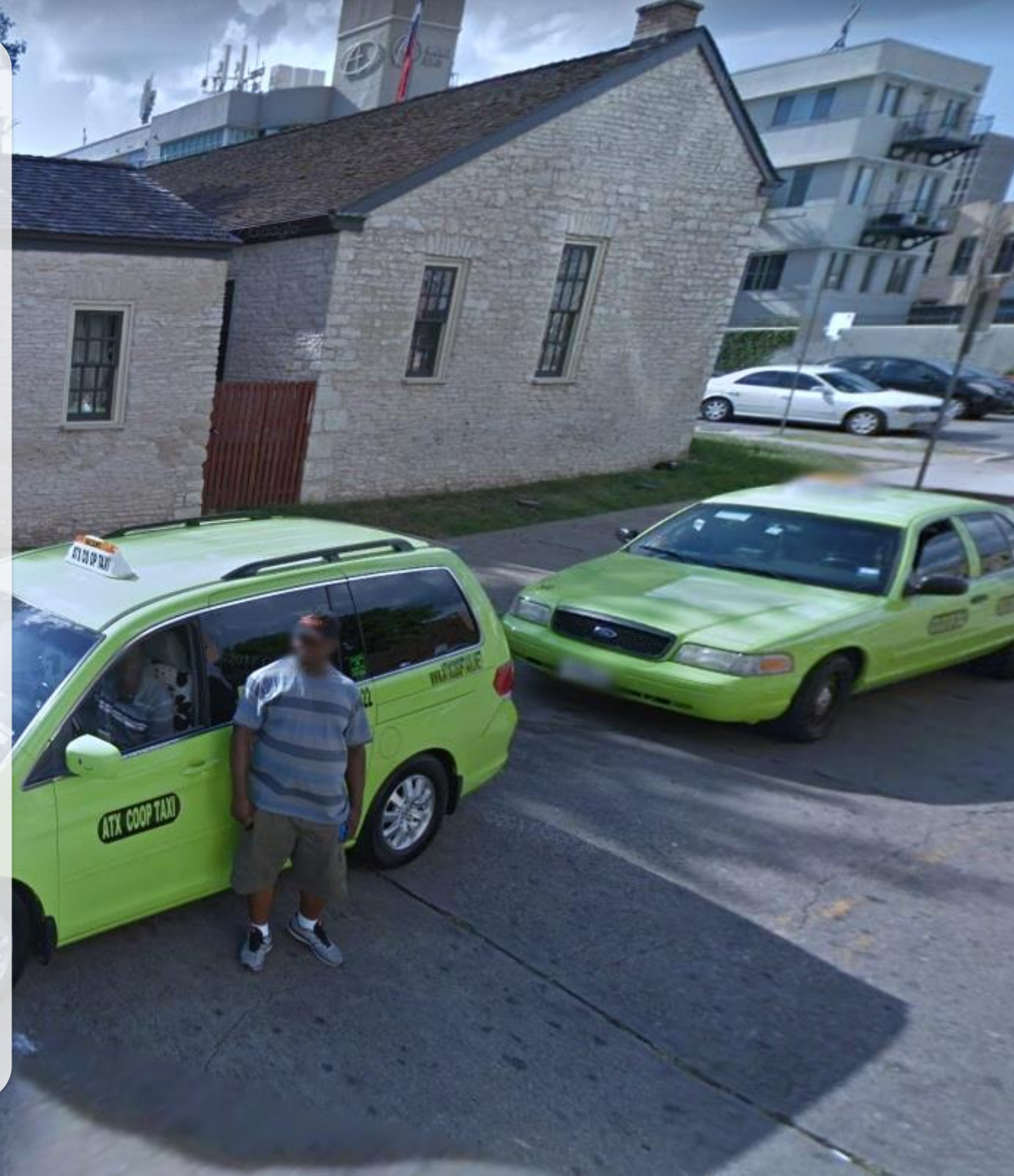
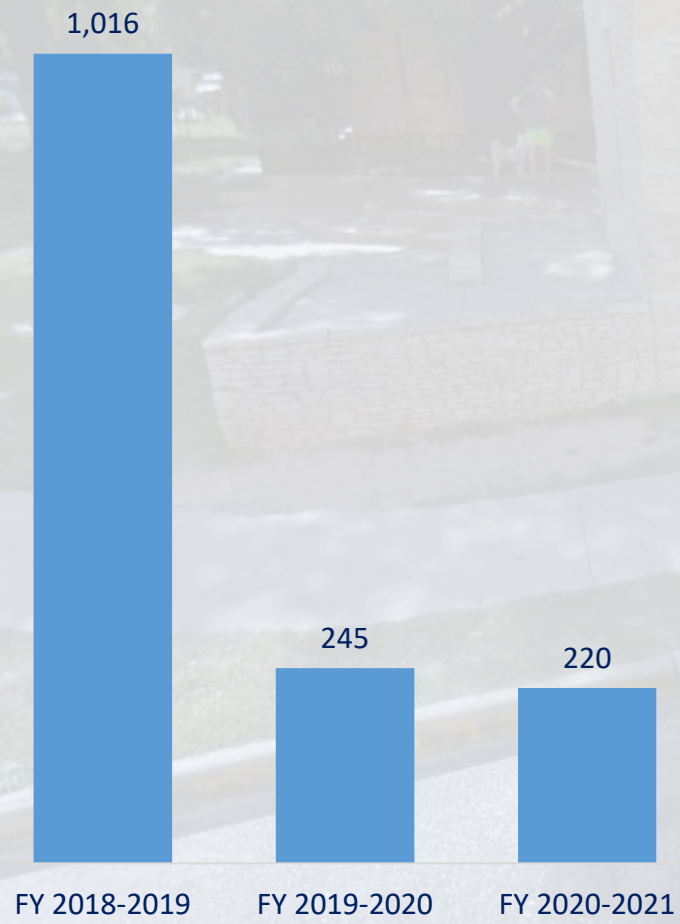
Franchise Closures During Pandemic

Lone Star Cab (May 2020)

Longhorn Taxicab Co. (Dec. 2020)

Number of Taxicabs in Service 2019-2021

Three Year Comparison





Current Taxicab Franchise Fleet Numbers

ATX Co-Op Taxi

125 Taxicabs (117 Standard + 8 WCL)

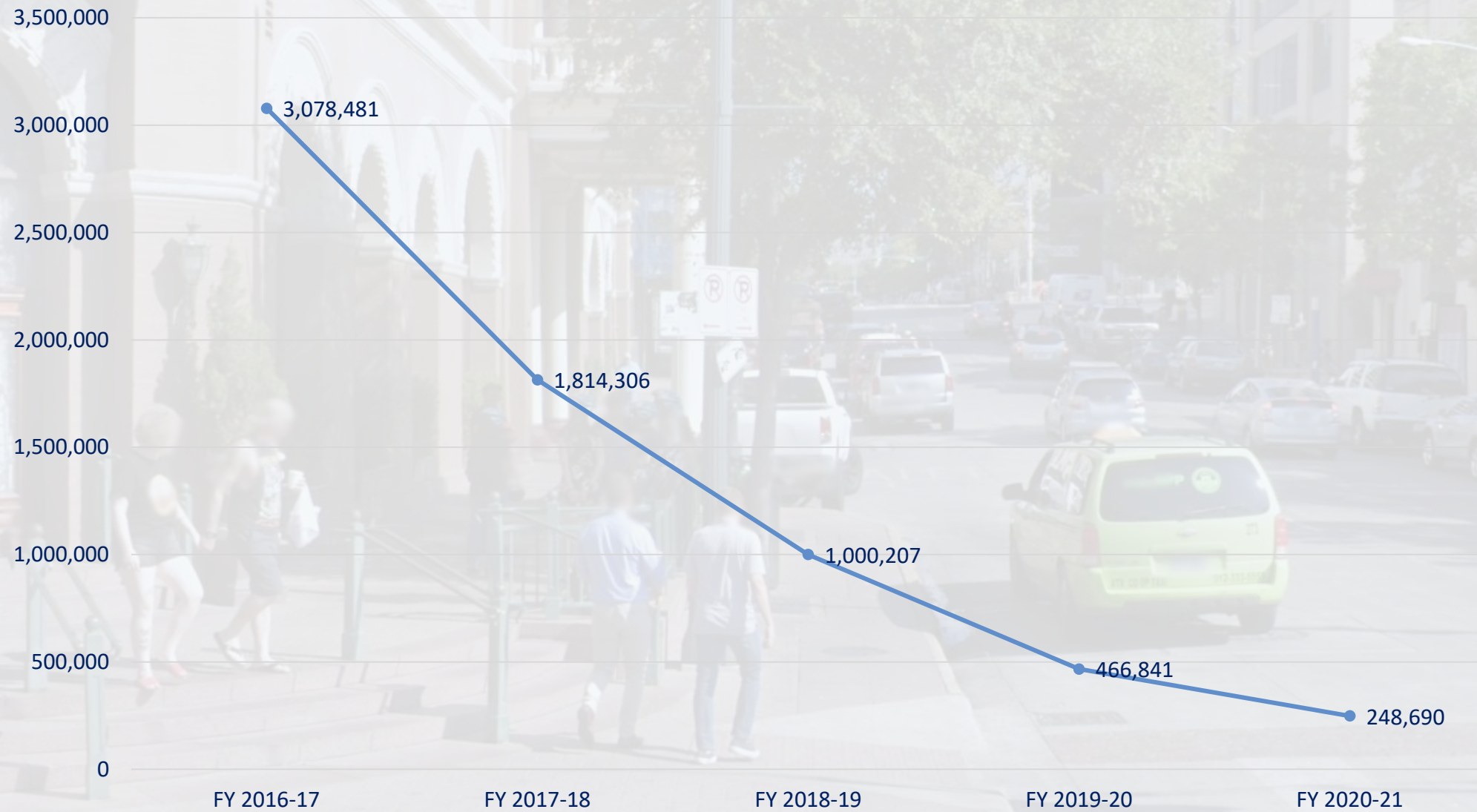
Central City Taxi

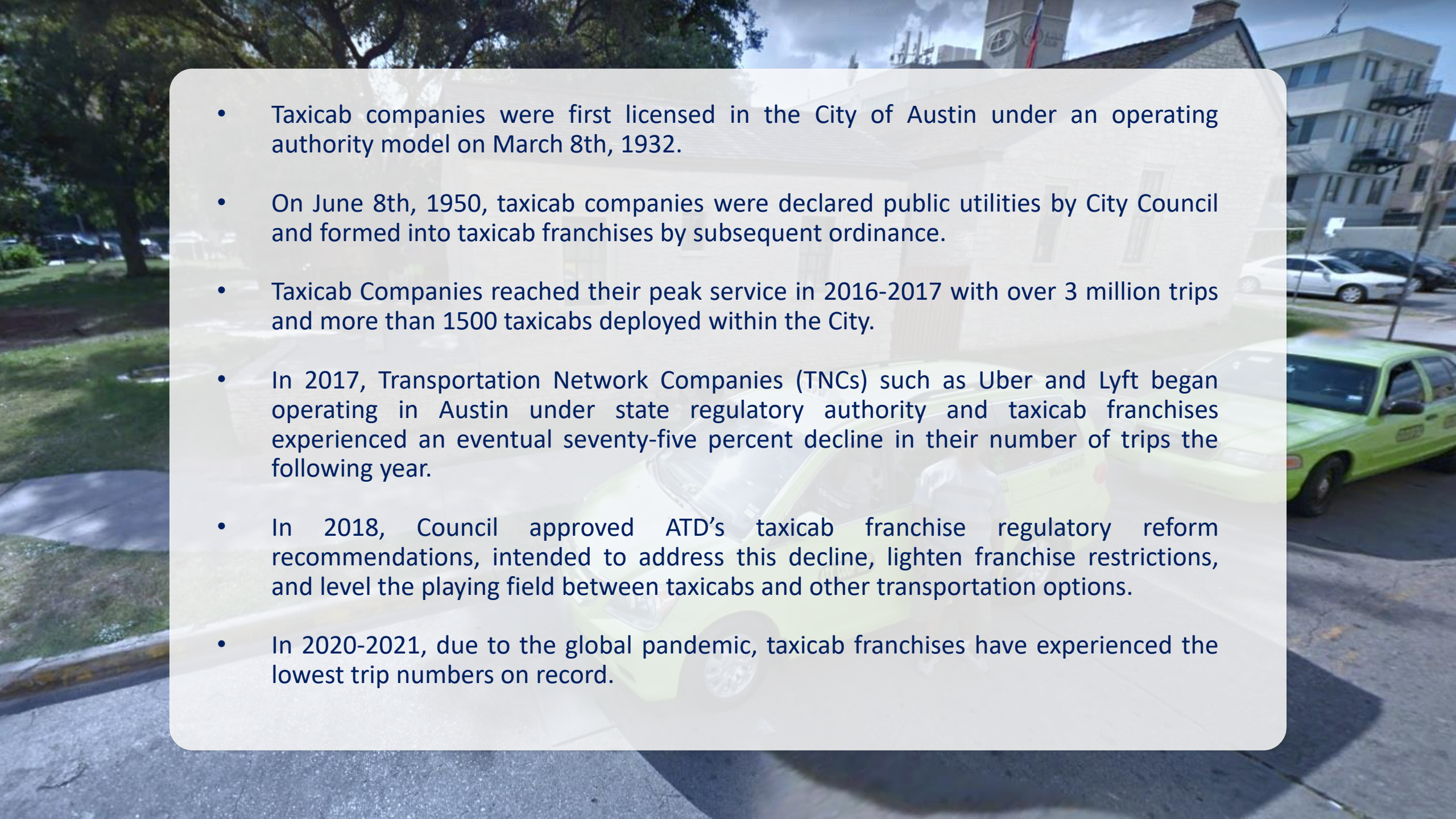
50 Taxicabs (46 Standard + 4 WCL)

Yellow Cab

80 Taxicabs (74 Standard + 6 WCL)

Taxicab Number of Trips Five-Year Comparison: 2016 - 2021



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- Taxicab companies were first licensed in the City of Austin under an operating authority model on March 8th, 1932.
 - On June 8th, 1950, taxicab companies were declared public utilities by City Council and formed into taxicab franchises by subsequent ordinance.
 - Taxicab Companies reached their peak service in 2016-2017 with over 3 million trips and more than 1500 taxicabs deployed within the City.
 - In 2017, Transportation Network Companies (TNCs) such as Uber and Lyft began operating in Austin under state regulatory authority and taxicab franchises experienced an eventual seventy-five percent decline in their number of trips the following year.
 - In 2018, Council approved ATD's taxicab franchise regulatory reform recommendations, intended to address this decline, lighten franchise restrictions, and level the playing field between taxicabs and other transportation options.
 - In 2020-2021, due to the global pandemic, taxicab franchises have experienced the lowest trip numbers on record.

The benefits of licensing taxicab companies under an operating authority model versus a franchise model are demonstrated in the figure below:

Franchise Model	Operating Authority Model
Application may take more than 30 days to complete	Application may be completed in one business day
Requires Council action for approval, renewal, or transfer	Approval, renewal, or transfer based on established prerequisite criteria
Three-readings franchise approval processes may take 3 to 6 months	Approval may be granted within 2 business days upon the fulfillment of established prerequisite criteria
Rigid application timeframes and deadlines	Flexible application timeframes and deadlines
Difficult to scale vehicle fleets to demand	Easy to scale vehicle fleets to demand
Inability to cease and resume operations when necessary	Ability to cease and resume operations when necessary
Limited driver autonomy and choice	Greater driver autonomy and choice
Unique vehicle-for-hire Category, unlike any others in the City	All other vehicle-for-hire industries in the City are currently permitted as operating authorities
Does not align with taxicab permitting programs in other Texas cities	Aligns with taxicab permitting programs in other Texas cities



On September 7, 2021, ATD presented the recommendation of transitioning taxicab franchises into taxicab operating authorities to the Urban Transportation Commission (UTC) and received a unanimous (11-0) vote in support. The UTC also provided the following recommendation:

“UTC supports ATD’s recommendation that taxicab companies no longer be regarded as public utilities, but rather as a valuable part of a diverse and ever evolving network of competitive mobility options and that Council transition taxicabs from a franchise licensing model to an operating authority licensing model.” – See UTC Recommendation Number 20210907-02B



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