



**OAHU** METROPOLITAN  
PLANNING  
ORGANIZATION

**Citizen Advisory Committee**  
**March 6, 2024**



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**I. Call to Order**



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## **II. Approval of Minutes**



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## **III. Reports**



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**IV. Old Business: NONE**



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**V. A. New Business- Charlie's Taxi Presentation**

## GOAL:

# Freedom To Set Own Rates

## ACTION:

Amend ROH 36-1.9 to repeal Director's authority to establish taxicab rates — same as TNCs are exempt from rate regulations. HRS 46-16.5 authorized rate regulation in order to sustain economic stability and viability of on-demand private operators.

## WHY AMEND ROH 36-1.9?

- Director misuses authority, ordinance interpretation varies from admin to admin
- No accounting schedule of industry's typical business costs as basis to set rates.
- No administrative rules for setting rates
- Conflict of interest - City fixing taxi rates while providing TheBus, The Skyline, and TheHandi-Van.
- Restrains operator ability be financially sound and compete.
- Sets an "uncompetitive" rate structure (a) for all operators to use only one, same price for all vehicles at all times (no night rate, no holiday rate); and (b) restrains operators from competing by offering a variety of innovative services.

## PURPOSE

- Taxi services are being eliminated.
- The “essential services” provided by taxicabs cannot be replicated by TNCs.
- The City's excessive and obsolete regulations amount to mismanagement by restricting taxi operators' ability to compete.



# WHY are Taxis Important?

- On-demand service is the most difficult passenger transportation business to operate. Similar but not as tough as ambulances that require EMT technicians.
- 24/7 service is high-cost dispatching, stressful on dispatchers (like 911), especially with urgent or distressed customers.
- Medical services & diagnostic labs require special handling and know-how.
- Distressed flights are unannounced with at least 200 pax. Sometimes 2-3 flights arrive between 10pm and 2 am.
- No bus service for late night office and store workers.

## CAUSE of Taxi Decline

- TNCs fought for and won lowered consumer safety protections:
  - NO fingerprint background checks enables use of alias names to evade criminal background.
  - NO Hawaii MD physical & lab tests.
- City/State not enforcing Act 057 (ROH-36-6.1), which prohibits TNCs from using a “taxicab, limousine, or other for-hire vehicle”
- TNCs are exempt from all rate regulations.
- TNCs have a big cost advantage because they don’t have commercial insurance, which is cheaper. Gap insurance is not sufficient.

# Uncompetitive Regulation

- Undermines 1-8 passenger vehicle Operating Authority
- One rate for all vehicles prevents innovation of services and competition because drivers can't afford newer/better vehicles. Status quo & stagnation prevails.
- Vehicle costs increased at least 29%: \$45k minivans are now \$50k; an \$85k SUV is now \$95k due to supply chain and chip shortage issues. Dealers are not taking orders the last 2 years.
- Unfair because drivers with new, quality vehicles are competing against drivers with old, used, cheap vehicles (i.e. no car payments) and all can charge the same rate.
- Visitors don't qualify for HandiVan because they are not residents. Application, doctor's exam, interview, wait for approval don't work with a short stay.

## HOW is the Community Affected

- Riders who are not joined up with TNCs are stranded, especially at night when it is dangerous to be all alone (affects many office and store workers).
- People who don't have credit cards, or use phone Apps
- Hospitals and labs have special needs that TNCs can't handle.
- Distressed airline flights, sometimes 2-3 at a time, with 200-passengers needing ride for overnight stay
- urgency and emergencies - not ambulance
- Visitors get stranded when TNCs won't pick them up at far out locations.
- Car trouble

# TAXI Availability

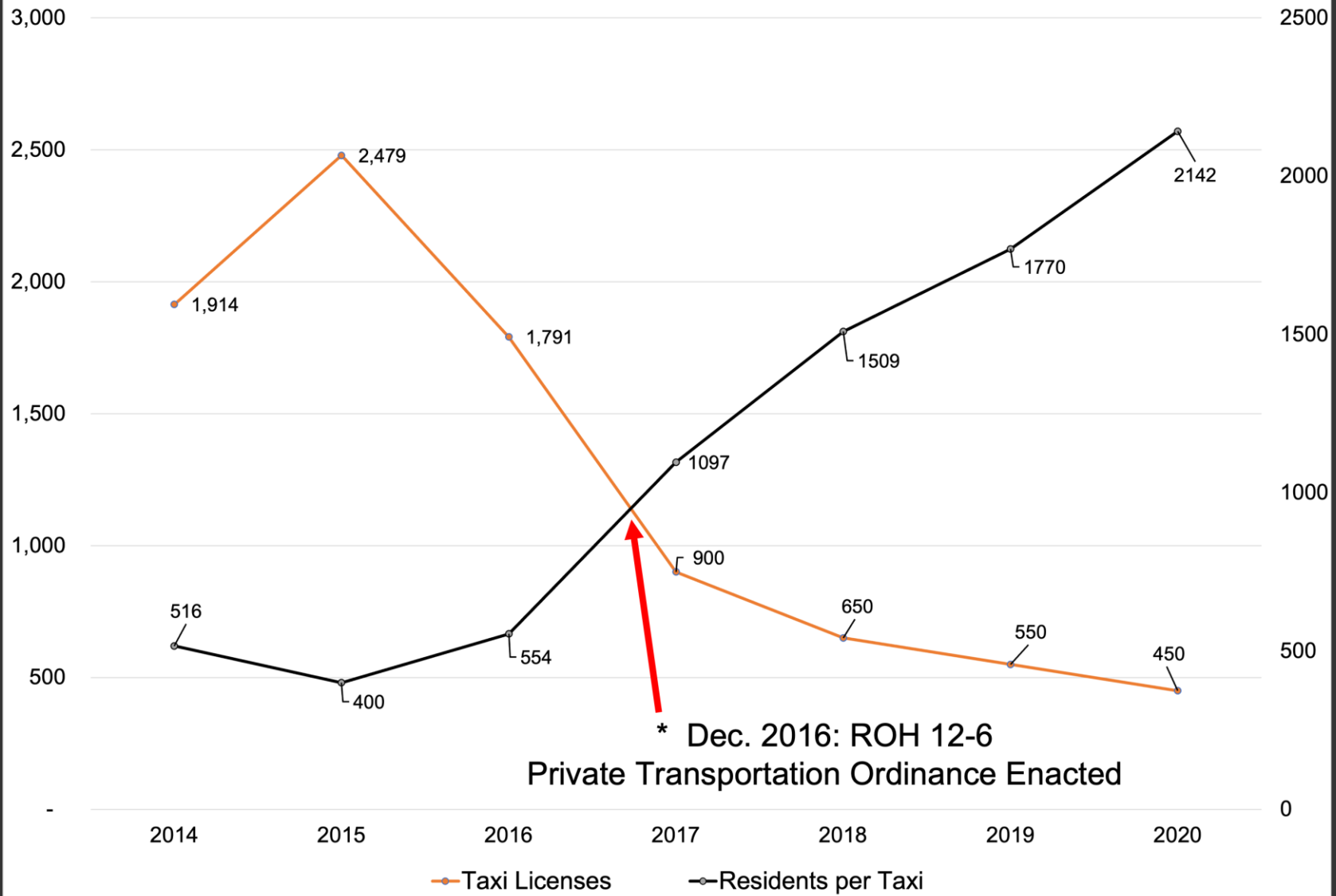
- We are possibly the only taxi company open after 9 pm. Other companies close and forward their calls to us, putting extra stress on our dispatchers.
- AMPCO airport walk up service severely short of night drivers.

# TAXI Availability

Taxi industry is not a priority:

- Night Driver shortage
- WAV shortage
- Prevents ride sharing projects
- Prevents competition to do more and better for consumers.

# Honolulu Taxi Licenses & Residents per Taxi



Population source: <https://files.hawaii.gov/dbedt/economic/databook/2020-individual/01/010620.pdf>  
Taxi license source 2014-2016: <https://files.hawaii.gov/dbedt/economic/databook/db2016/section18.pdf>  
Taxi license source 2017-2020: Independent research into Oahu's taxi industry

# Taxis shortages predate the pandemic

TAXI COMPLAINT

RECEIVED  
DEPT OF COUNCIL SERVICES

Friday  
Dec 13, 2019

19 DEC 19 P3 20

I called the Cab 422-2222 at about 7 a.m. this morning from my cell phone. [REDACTED] from Koko Marina Shopping Center, near the gas station & Al Philips cleaner (Lunalilo Home Road near intersection with Kalanianaʻolaha) to get a ride to my home almost 2 miles away at [REDACTED] since there is no bus service in my neighborhood.

I could have been waiting hours if I had not cancelled it and walked.

This is totally unacceptable to leave people stranded for hours, falsely thinking a cab is coming in minutes.

Customer stranded in  
Hawaii Kai on 12/13/2019.

Truthfully, Transportation Network Companies (TNC) like Uber and Lyft have decimated the taxi industry. We do not have the amount of taxis that we had 3 years ago, thus a lot less taxis working in certain areas, in your case - Hawaii Kai. Before we would have taxis all over the island, now drivers focus on areas that are most profitable to them.

I do apologize for us not being able to provide you transportation to your residence.

Kind regards,

[REDACTED]  
TheCAB, Operations Manager



# What justifies rate regulation for taxis while TNCs face none?

RATE REGULATION INEQUALITY FOR THE SAME WORK	TAXIS	UBER/LYFT (TNC)
<b>THE JOB</b>	<b>Driver is paid to transport customers from point A to point B</b>	
RATE SETTING	City sets a single maximum rate.	Rates change algorithmically every second.
RATES BY VEHICLE CLASS	Can not exceed city maximum rate regardless of vehicle age, cost, class.	Set rates according to class: Compact, Minivan, SUV, Luxury, etc.
TAXES AND DESTINATION FEES	After decades of eating GE Tax and destination fees, taxis can finally pass these on to passengers. Taxis still can't pass on the Airport pick-up tax.	Pass these extra costs on to passengers.

# Honolulu Without Taxis

- Uber and Lyft operate as a statewide airport cartel. With no competition from taxis, they are free to set ever higher prices at will.
- No “on demand essential service” operators means no private transportation service during emergencies.
- Visitor market will suffer with only TNCs. Just ask the hotels which they prefer, Taxi or TNC?
- Already taxi wait times can stretch to 45-90 minutes during peak demand.
- Who will serve people who don't have a credit card or smartphone?

# Passenger Capacity Operating Authority

## **1954 Ord 1411 / Bill 29: No limit on carrying capacity**

Any motor vehicle designated to carry passengers, operating for hire solely on call or demand from a fixed taxi stand within the geographical limits of the C&C of Honolulu and accepting a passenger with or without baggage for transportation between such points as may be directed by the passenger.

## **1961 HRS 271-5: Limited to vehicles up to 8 passengers.**

(3) Persons operating taxicabs or other motor vehicles utilized in performing a bona fide taxicab service. "Taxicab" includes:

(B) Any motor vehicle for hire having seating accommodations for eight or fewer passengers used in the movement of passengers on the public highways that may, as part of a continuous trip, pick up or discharge passengers from various unrelated locations; provided that they shall be regulated by the counties in accordance with section 46-16.5(c); and provided further that this subparagraph shall not apply to any exclusive rights granted by the department of transportation for taxicab services at facilities under the department's control;

## **2007 Ord 07-10 / Bill 022 CD1**

**Defines a taxicab as a 1 to 8 passenger vehicle** relating to designation of real property tax classifications.

## Benefits of Open Entry & Rate Deregulation

- New Zealand ended taxi rate regulation in 1989 and saw these tangible benefits in the next few years:
  - Decline in fares in real terms.
  - Increase in the number of taxi cabs.
  - Shorter waiting times.
  - Greater range of services.
  - Wider range of taxi services across market segments.
  - Wider geographic coverage.
  - More driving jobs.
  - Number of taxi companies in metro centers tripled.
  - Increased competition between taxi and other transport operations as a variety of taxi companies tender for selected routes.

# Benefits of Open Entry & Rate Deregulation

## Countries, States, or Cities with no taxi rate regulations

- California: since 1978 (some cities still regulate)
- New Zealand: since 1989
- Switzerland: since 1/25/17
- Singapore: since 2022
- Finland: since 3/15/23
- Japan
- Sweden
- Arizona State
- Colorado State
- San Diego, CA
- Canton, OH
- Akron, OH
- Charlotte, NC
- Ft Sith, AR
- Tacoma, WA
- King County, WA
- Seattle, WA
- Hillsborough, FL
- Lee County, FL
- Palm Beach, FL
- Jacksonville, FL

## Benefits of Open Entry & Rate Deregulation

**DUAL RATE REGULATION** – In these markets, taxicab companies set their own rates while independents and cruising taxis are subject to rate control.

- Portland, OR: since 6/29/2018
- Austin, TX: since Jul 2018
- Los Angeles, CA: since Feb 2022
- Washington, DC
- New York City
- Houston, TX

# Benefits of Open Entry & Rate Deregulation

## Countries, States, or Cities with open entry taxi markets

- Honolulu, HI: since 1945
- London, UK: since 1980
- Ireland: since 1980
- Kansas City, MO
- Phoenix, AZ
- Raleigh NC
- Colorado State
- Atlanta, GA
- Indianapolis, IN
- Tucson, AZ
- Oakland, CA
- Berkeley, CA

# Rate Setting Freedom

## REPEAL OBSOLETE LAWS THAT PRESERVE STATUS QUO INEQUALITY

- Level the playing field between taxis and TNCs.
- Stop the city's price fixing of taxi fares.
- Let taxi businesses be free and independent to compete and innovate.
- Promote use of technology to upgrade quality and standards, which adds to operating costs.
- Promote more and better choices for consumer needs and convenience.



# Call to Action

- Contact us at [info@charleystaxi.com](mailto:info@charleystaxi.com)
  - To stay updated when a taxi rate deregulation bill is introduced.
  - Get more information about our efforts to save the taxi industry.
- Support taxi rate deregulation to prevent the end of taxi companies in Honolulu.



**VI. Invitation to interested members of the public to be heard on matters not included on the agenda**



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## **VII. Announcements**



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**VIII. Adjournment**