



MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

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To: Ald. Terry L. Witkowski, Chair
Public Safety Committee

From: Sterling Hardaway, LRB Intern
Richard Pfaff, Manager

Date: February 21, 2013

Subject: Taxicab Operating Costs and Meter Rates

This report is submitted pursuant to s. 100-52-2-b of the code, which provides that the Legislative Reference Bureau shall submit biennially information from the Taxicab, Limousine and Paratransit Association (TLPA), formerly the International Taxicab and Livery Association, or other sources relating to taxicab meter rates and operation costs.

The LRB reviewed changes in the Consumer Price Index for All Urban Consumers (CPI-U) for certain expenditure categories relating to transportation. The most recent changes to Milwaukee maximum allowable taxicab rates and charges were effective on September 14, 2009. Table 1 indicates the percent changes that occurred for the expenditure categories since the approximate time of the rate changes in 2009.

Table 2 on page 2 provides information relating to the permanent rate increases that have occurred since January, 1980. Table 3 on page 3 provides information relating to taxicab meter rates for the City of Milwaukee as compared to a 20-City Average and rates for the City of Chicago. The cities comprising the 20-City Average are the 10 cities with 2012 population estimates that are either immediately higher or lower than the population estimate made for Milwaukee.

Table 1. Change in CPI-U Transportation Expenditure Categories, December 2009 to 2012.

Expenditure Category	Unadjusted Indexes		Percent Change 2009 to 2012
	December 2009	December 2012	
Gasoline (all types)	224.260	285.606	27.35%
Motor vehicle parts and equipment	134.781	148.761	10.37%
Motor vehicle maintenance and repair	245.417	258.845	5.47%
Motor vehicle insurance	366.799	414.773	13.08%

Source: Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average.

Table 3 also provides a comparison of the total costs charged for an 8-mile trip, which is a distance that approximately equates to the average distance per taxi trip (8.64 miles) according to the 2012 TLPA Taxicab Fact Book.

Based on LRB calculations using taxicab meter rates provided in the 2012 TLPA Taxicab Fact Book, Table 3 indicates that the 8-mile trip charge under Milwaukee taxicab meter rates is \$22.00. The Milwaukee trip charge is 13.74% higher than the 20-City Average trip charge of \$19.34, and 33.7% higher than the Chicago trip charge of \$16.45. The Milwaukee trip charge is also 5.9% higher than the national average fare of \$20.78 for an 8-mile trip, as indicated in the 2012 TLPA Taxicab Fact Book.

Table 2. Permanent* Rate Increases in Milwaukee Taxicab Meter Fares, 1980 to Present.

Effective Date of Rate	Common Council File Number	Initial Charge per Fraction of Mile	Each Add'l Fraction of Mile	Wait Time per Minute	Each Add'l Person	Each Grocery Bag and Suitcase	Minimum Fare to Airport
14-Sep-09	090152	\$2.25 (1/10)	\$0.25	\$0.35	\$1.00	\$1.00 (>2 items)	\$10.00
16-Mar-07	061038	\$2.25 (1/8)	\$0.25	\$0.25	\$0.75	\$0.10	\$6.00
1-Jan-03	980956	\$1.75 (1/8)	\$0.25	\$0.25	\$0.75	\$0.10	\$6.00
1-Sep-01	980956	\$1.75 (1/7)	\$0.25	\$0.25	\$0.75	\$0.10	\$6.00
12-Jan-95	921600	\$1.75 (1/6)	\$0.25	\$0.25	\$0.50	\$0.10	\$4.00
22-Nov-91	902014	\$1.50 (1/5)	\$0.25	\$0.25	\$0.50	\$0.10	\$4.00
16-Jul-85	85-395	\$1.25 (1/5)	\$0.25	\$0.25	\$0.25	\$0.10	\$4.00
18-Apr-80	79-230	\$1.00 (1/4)	\$0.25	\$0.25 (2 min.)	\$0.25	\$0.10	\$4.00
29-Jan-80	79-1720	\$0.95 (1/4)	\$0.20	\$0.20 (2 min.)	\$0.25	\$0.10	\$4.00

Source: LRB review of City of Milwaukee Common Council files, 1980 to present.

*Excludes the establishment or extension of any temporary taxicab fare surcharges and temporary taxicab meter rate increases. No temporary fare surcharges or meter rate increases are currently in effect.

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Table 3. Comparison of Milwaukee Taxicab Meter Rates for 8-Mile Trip to 20-City Average* of Comparable Cities and Chicago.

Rank by 8-Mile Trip Charge	City	Initial "Drop" Charge (\$)	Initial Charge Increment (fraction of mile)	Add'l Charge (\$)	Add'l Charge Increment (fraction of mile)	First Mile Charge (\$)	Add'l Mile Charge (\$)	8-Mile Trip Charge (\$)
1	Boston	2.60	1/7	0.40	1/7	5.00	2.80	24.60
2	Las Vegas	3.30	1/13	0.20	1/13	5.70	2.60	23.90
3	Seattle	2.50	1/10	0.25	1/10	4.75	2.50	22.25
4	Philadelphia	2.70	1/10	0.23	1/10	4.77	2.30	20.87
5	Louisville	4.70	1 mile	0.23	1/10	4.70	2.30	20.80
6	Portland	2.50	1/23	0.10	1/23	4.70	2.30	20.80
7	Sacramento	5.00	1 mile	0.20	1/11	5.00	2.20	20.40
8	Denver	2.50	1/9	0.25	1/9	4.50	2.25	20.25
9	Washington, D.C	3.00	1/8	0.27	1/8	4.89	2.16	20.01
10	Albuquerque	2.50	1/10	0.22	1/10	4.48	2.20	19.88
11	Baltimore	1.80	1/11	0.20	1/11	3.80	2.20	19.20
12	Kansas City	2.50	1/10	0.21	1/10	4.39	2.10	19.09
13	Atlanta	2.50	1/8	0.25	1/8	4.25	2.00	18.25
14	Long Beach	2.00	1/10	0.20	1/10	3.80	2.00	17.80
15	Charlotte	2.00	1/5	0.40	1/5	3.60	2.00	17.60
16	Nashville	3.00	1 mile	0.20	1/10	3.00	2.00	17.00
17	Memphis	2.00	1/9	0.20	1/9	3.60	1.80	16.00
18	Tucson	4.50	1/5	0.30	1/5	5.70	1.50	16.20
19	Omaha	1.95	1/6	0.30	1/6	3.45	1.80	16.05
20	Detroit	2.50	1/8	0.20	1/8	3.90	1.60	15.90
	20-City Average	\$2.80	NA	\$0.24	NA	\$4.40	\$2.13	\$19.34
	Milwaukee	\$2.25	1/10	\$0.25	1/10	\$4.50	\$2.50	\$22.00
	Chicago	\$2.25	1/9	\$0.20	1/9	\$3.85	\$1.80	\$16.45

Source: LRB calculations based on rates provided in 2012 Taxicab, Limousine & Paratransit Association (TLPA) Fact Book. *Calculations exclude any taxicab fare surcharges and temporary taxicab meter rate increases.