



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Report To The Business Administration  
Committee  
Proposed Amendments to Metropolitan  
Washington Airports Authority Regulations  
November 2013



## Request for Action

Request the Business Administration Committee authorize the President and Chief Executive Officer to publish notice that the Airports Authority is considering holding public hearings to amend Airports Authority Regulations pertaining to taxicab operations at Reagan National, off-Airport rental car permit fees at both Airports, and Hotel Courtesy Shuttle Fees at both Airports.

A final recommendation will be presented to the Committee upon conclusion of the hearing process for formal action by the Board of Directors.



## Proposed Changes to Airports Authority Code of Regulations

- Require taxicabs serving Reagan National to accept credit cards as a form of payment.
- Increase Reagan National Taxicab Dispatch fee from \$2.50 per trip to \$3.00 per trip.
- Increase annual Reagan National Airport Taxi Operator's Permit Fee from \$40 to \$100.
- Eliminate the Off-Airport Rental Car Permit Fee payment option of 4% that is not exercised at Reagan National and increase the Permit fee at Dulles International from 4% to 8% of annual gross receipts that exceed \$300,000, consistent with Reagan National.
- Require hotel courtesy shuttle vehicles at both Airports to pay a trip fee for each stop at the commercial curb (eliminate free access).



## Recommended Requirement for Credit Card Payment at Reagan National

The option to pay by credit card has become almost universal and is expected by consumers. Airport Regulations do not require taxicab drivers to accept such payments and many do not. The lack of taxicab drivers accepting credit cards has been a customer service issue at Reagan National.

The proposed Airports Authority regulatory change would require every Reagan National-permitted taxicab driver to accept credit cards as a payment option for taxi fares to align with recent local jurisdiction changes and better meet customer expectations.



## Proposed Taxicab Per Trip and Permit Fees At Reagan National

- In 2012 Reagan National collected approximately \$4.8 million in gross revenue from taxi trips and permit fees and had expenses for this period of approximately \$4 million.
- Staff recommends increasing the taxi trip fee from \$2.50 to \$3.00 and the permit fee from \$40 to \$100.
- Increasing the taxi trip fee from \$2.50 to \$3.00 and the permit fee from \$40 to \$100 would increase the Airports Authority's net revenues by an additional \$1 million.



## Proposed Changes to Off-Airport Rental Car Regulations

Current Airports Authority Regulations specify business terms for off-airport rental car companies to service the Airports. The current provisions differ for each Airport.

Staff recommends eliminating the Off-Airport Rental Car Permit Fee payment option of 4% which is not exercised at Reagan National and increasing the Permit fee at Dulles International from 4% to 8% of annual gross receipts that exceed \$300,000.

There are no off-airport rental car operations currently permitted at Dulles International.



## Proposed Changes to Hotel Courtesy Vehicle Fees

Staff recommends eliminating the provision of free trips and charging every vehicle \$1.00 per trip to the commercial curbs. This revised structure would more appropriately recover commercial curb and roadway costs and also minimize congestion at the curbs.

- In 2012 courtesy vehicle usage at Dulles International was 229,324 trips and at Reagan National 258,827 trips.
- With respect to hotel courtesy fees, the Airports Authority received \$81,179 at Dulles International and \$146,851 at Reagan National.
- Eliminating the 300 free trips, per hotel vehicle, per month would have increased payments at Dulles International from \$81,179 to \$262,155, and at Reagan National from \$146,851 to \$284,047.



## Action

Request the Business Administration Committee authorize the President and Chief Executive Officer to publish notice that the Airports Authority is considering holding public hearings to amend Airports Authority Regulations pertaining to taxicab operations at Reagan National, off-Airport car rental permit fees at both Airports, and Hotel Courtesy Shuttle Fees at both Airports.

### Schedule

- |          |  |
|----------|--|
| November | 2013 – Request authorization from Business Administration Committee and send out notice for public hearings. |
| January  | 2014 – Hold Public Hearings.   |
| February | 2014 – Recommend amendment to the Business Administration Committee.   |
| March    | 2014 – Recommend amendment to the Board of Directors   |
| July     | 2014 – Effective Date of Changes   |



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY

# **REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE**

## **PROPOSED AMENDMENTS TO METROPOLITAN WASHINGTON AIRPORTS REGULATIONS**

**NOVEMBER 2013**

### **PURPOSE**

Staff requests that the Business Administration Committee authorize the President and CEO to proceed with the process for amending Metropolitan Washington Airports Authority Regulations with the full force and effect of law by publishing notice that the Airports Authority is considering amending the following regulations, by opening a public comment period, and by conducting a public hearing:

- A. § 5.6 to require taxicab drivers operating in the taxicab dispatch system at Ronald Reagan Washington National Airport (Reagan National) to operate a taxicab which is equipped with electronic credit card processing equipment, to accept credit cards in payment of taxicab fares, and to increase the dispatch fee from \$2.50 to \$3.00 each time a driver picks up a passenger or group.
- B. § 5.7 to increase the annual fee for a Reagan National Taxi Operator's Permit fee from \$40.00 to \$100.00.
- C. § 6.4 to amend the percentage fee for those conducting the business of renting cars from off-site locations so that the fee is consistent at both Airports.
- D. § 6.6 to reduce the number of free trips each hotel shuttle vehicle receives from 300 per month to 0 per month.

### **DISCUSSION**

#### **1. Credit Cards**

The option to pay by credit cards has become almost universal and airport customers expect to be able to use credit cards to pay for taxicab service. The lack

of taxicab drivers accepting credit cards has been the number one complaint from our taxicab customers at Reagan National.

Effective September 1, 2013, Alexandria, Virginia required taxicab companies to require all their affiliated vehicles to accept major credit cards. In addition, effective October 1, 2013, all District of Columbia taxicabs were required to be equipped with credit card acceptance devices. Even with these new local ordinances, drivers are not required to accept credit cards at Reagan National. District of Columbia and Alexandria taxicabs represent approximately 77 percent of all Reagan National-permitted drivers.

The proposed taxicab regulatory change would require every Reagan National-permitted taxicab driver to accept credit cards as a payment option for taxi fares and will align the Airports Authority with current local jurisdiction changes and better meet customer expectations.

## 2. Taxi Fees

Staff proposes to increase the annual fee for the Reagan National Taxicab Operator's Permit and the fee taxicab permit holders pay each time they pick up a passenger through the airport dispatch system.

The Airports Authority provides a facility at Reagan National that houses up to 500 waiting taxicabs and has dedicated significant airport premises and financial resources to a dispatch system that provides quick, orderly taxicab service to the customer. Like any other cost associated with operating and maintaining the Airport, the costs of providing taxicab services has to be recovered.

The dispatch fee was last increased to \$2.50 on July 1, 2009. Staff proposes to increase the dispatch fee at Reagan National to \$3.00. Note that the taxicab licensing jurisdictions allow taxicab drivers picking up passengers at Reagan National to pass the Airport dispatch fee through to their customers and, therefore, the drivers do not have to pay for the privilege of doing business at the Airport other than the annual fee for the Airport Taxicab Operator's Permit.

Staff also proposes to raise the annual cost for the permit from \$40.00 to \$100.00. The permit fee has not changed since its inception in 1994.

## 3. Off-Airport Rental Car Permit Fees

Both Airports have dedicated vehicle lanes adjacent to the terminals that serve passengers using several modes of commercial ground transportation. Chief

among these are taxicabs, hotel shuttle vans, shared ride vans, and rental car and parking lot shuttle buses if they have first obtained a permit from or a contract with the Airports Authority. Current Regulations provide for off-site rental car companies operating at Dulles International to pay \$100 per year for the permit plus four percent of annual gross receipts that exceed \$300,000 while off-site rental car companies at Reagan National pay \$100 per year for the permit and have an option of paying four percent of annual gross receipts that exceed \$300,000 if they choose to pick up and drop off their customers in front of Garage A, or pay eight percent of annual gross receipts that exceed \$300,000 if they pick up and drop off customers from locations designated at the curbs in front of the terminals. There are no off-airport operators at Dulles International and the off-airport companies servicing Reagan National all operate under the eight percent of gross receipts structure. Staff proposes standardizing the off-airport rental car business terms for both Airports to be eight percent of gross annual receipts that exceed \$300,000.

#### 4. Hotel Courtesy Shuttle Fees

Current Airports Authority Regulations provide a hotel courtesy vehicle fee structure of \$1.00 per trip per vehicle above 300 free trips, per hotel vehicle, per month. The intended goal of the fee structure was to reduce congestion at the terminal curbs. Subsequent to the Regulation effective in January 2010, both Airports have installed and operate an electronic tracking system for vehicle activity at the commercial curbs. In 2012 courtesy vehicle usage at Dulles International was 229,324 trips and at Reagan National 258,827 trips. Terminal curb congestion continues to be a challenging issue at both Airports.

Staff recommends eliminating the free trips at both Airports and charging every courtesy vehicle the \$1.00 per trip fee. This revised structure would more appropriately recover commercial curb and roadway costs.

Upon concurrence by the Business Administration Committee, a notice will be published in a newspaper of general circulation, that a public hearing will be held on proposed amended Airport Authority Regulations. Local Chamber of Commerces and Reagan National permitted taxicab operators will also be notified of the hearings. One hearing will be held in the Corporate Office Building at Reagan National and one hearing will be held at Dulles International.

With completion of the public notice and hearing, staff will report to the Business Committee the public comments received and make a recommendation that the Business Administration Committee approve and submit the recommended amended Airports Authority Regulations to the Board of Directors for approval.

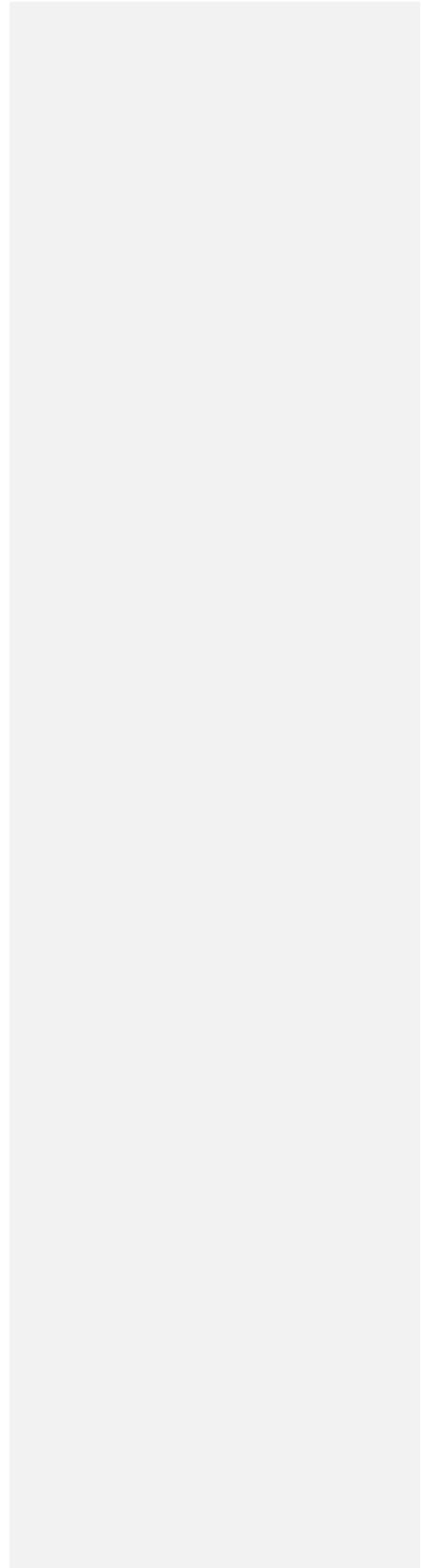
## **RECOMMENDATION**

Staff requests that the Business Administration Committee authorize the President and Chief Executive Officer to initiate the process for adopting amendments with the full force and effect of law by publishing notice that the Airports Authority is considering amending Metropolitan Washington Airports Authority Regulations as shown in Attachment A, by opening a public comment period, and conducting public hearings. Staff will report on the hearings and comments received on the proposed amendments to the Business Administration Committee and approve and make a recommendation to the Board of Directors.

Prepared by:

Office of General Counsel  
Ronald Reagan Washington National  
Airport  
Business Administration Division  
Washington Dulles International Airport  
Business Administration Division

# **ATTACHMENT A**



**Proposed Amendments to Regulatory Provisions in  
Part 5 (Taxicabs), Chapter I (Taxicabs at National)**

**§ 5.6. Operating Conditions for the Taxicab Dispatch System.**

In addition to the requirements of Section 5.4, no person shall operate a taxicab in National's taxicab dispatch system unless he is at that time in compliance with each of the following conditions:

- (1) The driver must have a current, valid Airport Taxi Operator's Permit issued to him by the Airport Manager. This Permit must be kept in the driver's possession at all times that he is operating a taxicab at the airport and prominently displayed according to the Airport Manager's directions while the taxicab is on the airport.
- (2) The driver must display in the taxicab in a place conspicuous to passengers his local license to operate a taxicab (the so-called "face card"), and a schedule of the rates issued by the Washington Metropolitan Area Transit Commission and the jurisdiction that has licensed or certificated his taxicab.
- (3) The driver must, upon the request of an Authority police officer, a taxicab dispatcher, or the taxicab official, surrender for inspection the Permit required by paragraph (1) of this section. The driver must permit the Authority police, the taxicab dispatcher, and the taxicab official to inspect his taxicab to determine if he is displaying the license and rate schedule required by paragraph (2) of this section.
- (4) The driver must wear a shirt with a collar, long pants or a skirt, and shoes (not sandals) and socks or stockings.
- (5) The driver must operate a taxicab that is clean and maintained in good repair including, by way of illustration and not limitation, the tires, headlights, brake lights, turn signals, windshield wipers, brakes, window glass, doors, fenders, paint, passenger compartment, trunk, seat belts, and upholstery. ~~The driver must permit the Authority police and the taxicab official to inspect his taxicab to determine if the vehicle meets these standards and the driver shall not operate a vehicle in the dispatch system if it has failed an inspection and the condition causing it to fail has not been corrected.~~
- (6) The driver must operate a taxicab that is not more than eight years old based on the taxicab's model year; i.e., the difference between the taxicab's model year and the current calendar year is not greater than eight.
- (7) The driver must operate a taxicab which is equipped with air conditioning which is in good repair. The driver shall turn on the air conditioning when the outside temperature exceeds 80 degrees Fahrenheit ~~or and he or she~~ is directed to do so by the dispatcher. Notwithstanding the foregoing, the driver shall comply in all

circumstances with the request of a passenger to turn on or turn off the air conditioning.

- (8) The driver must not smoke in the taxicab when passengers are present. If the driver wishes passengers not to smoke, he must post a "No Smoking" sign readily visible to passengers in the taxicab.
- (9) The driver must obey all directions and signals of the taxicab dispatcher regarding the orderly flow of traffic and the accommodation of passengers.
- (10) The driver must accept any orderly passenger and convey any passenger where directed upon dispatch by the taxicab dispatcher.
- (11) The driver must transport only those persons assigned to him by the taxicab dispatcher.
- (12) The driver must not act in a discourteous manner towards passengers or persons seeking transportation.
- (13) The driver must give a receipt showing the driver's name, name of the taxicab company (if any), the taxicab number, the time and place of origin and destination of each trip, and the amount of the fare on an authorized form when requested to do so by a passenger.
- (14) The driver must not breach the peace on the Airport. The driver must not impede the operation of the dispatch system, other airport operations, or the flow of traffic to and from the Airport.
- (15) The driver must remain within five feet of his taxicab at all times except while it is in the taxicab holding structure or when it is legally parked.
- (16) The driver must not give or offer to give any money or anything of monetary value to a taxicab dispatcher.
- (17) The driver shall pay a dispatch fee of ~~two dollars and fifty cents~~ **three dollars** (~~\$2.50~~**3.00**) each time he picks up a passenger or group.
- (18) The driver must maintain in his taxicab electronic credit card processing equipment that enables passengers to use credit cards to pay taxicab fares.
- (19) The driver must accept major credit cards as payment for taxicab fares.
- (20) The driver must permit the Authority police or the taxicab official to inspect his taxicab to determine whether the vehicle meets the standards set forth in this section. The driver shall not operate a vehicle in the dispatch system that has failed

such an inspection until an Authority police officer or the taxicab official has determined that the condition causing the vehicle to fail has been corrected.

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**§ 5.7. Airport Taxi Operator's Permit.**

The Airport Manager shall issue an Airport Taxi Operator's Permit to each person whom he finds to be of good, moral character and who:

- (1) completes and submits an application to the Airport Manager in a form approved by the Airport Manager for that purpose;
  - (2) is currently licensed to operate a taxicab by one or more of the following: Montgomery County, Prince Georges County, Maryland; the District of Columbia; City of Alexandria, City of Falls Church, Arlington County, Fairfax County, Virginia;
  - (3) presents an official copy of his current driving record from the jurisdiction by which he is licensed and of his criminal record if any (the Airport Manager may require applicants to submit a complete set of legible fingerprints in order to request a criminal background record check from the Federal Bureau of Investigation);
  - (4) is in compliance with all the licensing jurisdiction's regulations including, by way of illustration and not limitation, the minimum insurance requirement for the taxicab he is operating;
  - (5) has more than six months driving experience in the Washington, D.C., metropolitan area (the Airport Manager may require applicants to demonstrate a working knowledge of the metropolitan area by means of an examination);
- (1) is at least twenty-one years of age;
  - (2) is not currently subject to an unexpired order of suspension or revocation of a previously issued Airport Taxi Operator's Permit; and
  - (3) pays an annual permit fee of ~~\$40.00~~\$100.00.
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**Proposed Amendments to Regulatory Provisions in  
Part 6 (Commercial Activity)**

**§ 6.2. Rental Car Business; Contract or Permit Required.**

No person shall conduct the business of renting cars on either Airport unless he has first obtained a permit under Section 6.4 or entered a contract from the Authority authorizing the conduct of such business on that Airport. “Conducting the business of renting cars on either Airport” includes but is not limited to, picking up or discharging-transporting a customer or a potential customer between an Airport and a rental car facility located off the Airport and picking up from or delivering to an Airport a rental car that is stored in a rental car facility located off the Airport.

**§ 6.3. Parking Lots; Contract or Permit Required.**

No person shall conduct the business of operating a parking lot on either Airport unless he has first obtained a permit under Section 6.4 or entered a contract from the Authority authorizing the conduct of such business on that Airport. “Conducting the business of operating a parking lot on either Airport” includes picking up or discharging-transporting a customer or potential customer between an Airport and a parking facility located off the Airport.

**§ 6.4. Permit.**

- (1) The President shall set the requirements for obtaining and retaining a permit, except as provided in Subsection (2) below. The permit terms shall include:
  - (a) the minimum insurance coverage considering the risk of conducting the business, including operating shuttle busses, industry practice, and insurance requirements imposed on other businesses at the Airports;
  - (b) the dates on which payments of the fee are due;
  - (c) the term of permit; and
  - (d) such other reasonable requirements as the President deems necessary to protect airport users and Authority revenue and foster efficient administration of the permit requirements.
- (2) The fee for the permit shall be:
  - (a) for those conducting the business of renting cars on Dulles either Airport, \$100.00 per year plus four-eight percent (48%) of the annual gross receipts derived from conducting the business on Dulles the Airport that to the extent the gross receipts exceed \$300,000.00; and

~~(b) for those conducting the business of renting cars on National and picking up and discharging customers at a collection point to which they have been or from which they will be bussed by the Authority, \$100.00 per year plus four percent (4%) of annual gross receipts derived from conducting business on National to the extent the gross receipts exceed \$300,000.00;~~

~~(c) for those conducting the business of renting cars on National and picking up and discharging customers by means of a common shuttle bus from locations designated by the Airport Manager at the terminals, eight percent (8%) of annual gross receipts derived from conducting business on National; and~~

~~(d)~~ (b) for those conducting the business of operating a parking lot on ~~the either~~ Airport, \$100.00 per year plus ten percent (10%) of ~~the~~ annual gross receipts derived from conducting ~~the~~ business on the Airport ~~that to the extent the gross receipts~~ exceed \$30,000.00.

- (3) For ease of accounting, the Authority will assume that ninety-five percent of the gross receipts of rental car companies and parking lot operators conducting business on the Airport without a contract with the Authority is derived from the Airport unless the permit holder proves through auditable, financial data that a lesser percentage of its gross receipts was in fact derived from the Airport.

#### **§ 6.6 Hotel Shuttles; Permit or Contract Required.**

- (1) No person shall engage in the commercial activity of providing hotel shuttle service at the Airports unless the person has first obtained a permit from or entered a contract with the Authority. The provision of hotel shuttle service at the Airports shall mean the transporting in a motor vehicle, and the picking up and discharging, of guests or potential guests within an Airport, as part of the carrying of such guests between an Airport terminal and a hotel or other business that provides lodging for compensation; provided that, for purposes of this subsection, guests shall not include airline crew members.
- (2) When the commercial activity of providing hotel shuttle service is authorized by permit:
- (a) the permittee shall not use any vehicle in the provision of such service unless it is specifically identified in the permit;
  - (b) the driver of each vehicle identified in the permit shall comply with the provisions of Section 4.5 of these Regulations, which addresses the location at the Airports where vehicles providing hotel shuttle service must pick up and discharge passengers;

- (c) the permittee shall comply with requirements established by the Airport Manager to facilitate the computation of the per trip fee established by this subsection;
- (d) the permittee shall, for each vehicle identified in the permit, carry the minimum insurance coverage set by the President who, in setting the minimum coverage, shall consider the risk of operating shuttle vehicles, industry practice, and insurance requirements imposed on other businesses at the Airports;
- (e) the permittee shall pay an annual fee, due on or before January 31 of each year, for each vehicle identified in the permit according to the following schedule:

Vehicles with a seating capacity, including the driver, of	Annual fee
1-16	\$500
More than 16	\$750

- (f) the permittee shall pay a fee of one dollar (\$1.00) for each occasion ~~over 300 in any month~~ that a vehicle identified in the permit enters the vehicle lane designated by the Airport Manager for hotel shuttles to pick up passengers;
  - (g) in addition to the fees imposed by Subsections (e) and (f), the permittee shall pay a dwell fee of one dollar (\$1.00) for each ten minute period of time (or portion thereof) beyond the first ten minutes that a vehicle identified in the permit remains in the vehicle lane designated by the Airport Manager for hotel shuttles to pick up passengers; and
  - (h) provided, however, that permitted vehicles that use fuel other than solely gasoline or diesel and are eligible for clean, special fuel license plates according to the standards of the Virginia Department of Motor Vehicles shall only be obliged to pay one half of the annual fee imposed by Subsection (e) and one half the per trip fee imposed by Subsection (f).
- (3) The failure by a permittee to comply with any provision of Subsection (2) shall be grounds to revoke the permit.
- (4) The President is authorized to establish rules reasonably necessary to foster the efficient administration of the permit system created by the section.