



OFFICE OF THE MAYOR  
CITY OF CHICAGO

**FOR IMMEDIATE RELEASE**

October 8, 2014

CONTACT:

Mayor's Press Office

312.744.3334

[press@cityofchicago.org](mailto:press@cityofchicago.org)

**MAYOR EMANUEL, ALDERMEN BEALE, MITTS, THOMPSON AND OTHERS INTRODUCE  
THE 2014 TAXI DRIVER FAIRNESS REFORMS ORDINANCE**

*Reforms Will Increase Driver Income, Propel Industry Innovation, and Improve Driver Experience*

Mayor Emanuel, Aldermen Anthony Beale, Emma Mitts, JoAnn Thompson and other Aldermen introduced before City Council today the Taxi Driver Fairness Reforms of 2014 to ensure that taxi drivers receive a fair deal from the industry. The new reforms are set to benefit drivers by putting thousands of dollars back into their pockets and cutting bureaucratic red tape to reduce their interaction with the City.

"The taxi driver community is an important part of Chicago's transportation infrastructure, critical to the City's tourism strategy, and an essential workforce to Chicago's taxi industry," said Mayor Rahm Emanuel. "These reforms represent what is necessary to further modernize this growing industry."

In developing these reforms, the Emanuel Administration responded to concerns raised by Cab Drivers United/AFSCME and other advocacy driver groups.

"We're pleased that Mayor Emanuel has heard the voices of cab drivers and our union," AFSCME executive director Roberta Lynch said. "These reforms will put more money in the pockets of taxi drivers who work hard, support families and serve as the city's ambassadors to travelers and tourists. Cab Drivers United/AFSCME looks forward to continuing to work with the administration for reforms that benefit drivers and consumers alike."

The Mayor's reforms include an ordinance introduced and co-sponsored today by Aldermen Beale, Mitts and Thompson and many other Aldermen, as well as a series of changes that can be made through regulations issued by the Department of Business Affairs and Consumer Protection (BACP).

"This ordinance represents thoughtful, commonsense reforms that will drastically improve the quality of life for drivers," said Alderman Beale.

"These reforms are necessary to reflect the changing industry, and I am proud to be part of improving the working lives of our chauffeur licensees," said Alderman Mitts.

"I am quite pleased with the result of our efforts on this ordinance and am looking forward to making drivers' lives a little bit easier," said Alderman Thompson.

The Mayor's reform ordinance will boost driver income by reducing lease caps for alternative fuel vehicles in their second model year or older. These vehicles make up 80 percent of the taxi fleet. By doing so, we can ensure that medallion owners and taxi associations recoup their upfront investment while putting more money in the pockets of drivers by reforming lease caps for fuel efficient and alternative fuel vehicles to drop to the rate authorized for fuel inefficient vehicles after one year.

This reform would represent a 10-20% drop in the lease rate depending on the vehicle and ensure that vehicles owners recoup the costs of their investment up front while helping drivers of a fuel efficient vehicle older than one year take home roughly \$2,400 – 5,600 annually, depending on the lease structure. The ordinance would affect the leases of nearly 3700 vehicles – representing more than 56 percent of taxis in the City – in the first few months of ordinance passage alone. As more alternative fuel vehicles age past the first model year, more drivers will benefit.

In addition, the ordinance will implement a universal taxi smartphone application. The taxi industry has struggled to compete with services that allow riders to conveniently and safely arrange for rides using smartphone applications. While many taxi drivers use apps like Uber and Hailo to find riders, no app contains more than a few hundred taxis out of a fleet of nearly 7,000.

The City can help level the playing field between taxis and rideshares and improve service for consumers by establishing one or more smartphone applications to serve as universal applications. The City will run a competitive procurement process that establishes a set of consumer protection and ease of use criteria and require all taxis in the City to participate in the application(s) that achieve this designation.

The ordinance will also reduce fines for taxi offenses. The ordinance will reduce the maximum fine for driver violations like traffic tickets and rider complaints by 60%, from \$1,000 to \$400. The City will still retain the authority to revoke or suspend the licenses for drivers cited for serious violations.

Below are the Reforms that will be done via regulation or operational improvements:

- **Reduce the Cap on Credit Card Fees Assessed to Cab Drivers.** City rules require taxis to include credit card readers accessible to riders and have set a cap on credit card fees of 5%. Under current law, this fee cannot be passed onto consumers and are instead taken out of the fare received by the driver. BACP will boost driver incomes by reducing the credit card rate charge cap from 5 to 3 percent.
- **Advertising Revenue.** In recent years the City allowed taxis to display advertisements, creating another revenue stream for vehicle owners. To ensure that drivers receive their fair share of this revenue, BACP will issue regulations that require cab companies with advertising to provide drivers with a credit on their lease, resulting in hundreds of additional dollars for these drivers annually.
- **Streamline the Training Process for Taxi Drivers.** The City's rideshare ordinance required the City to establish a driver training reform task force to develop recommendations for simplifying and streamlining the on boarding process for new cab drivers. The task force has completed its work and has provided BACP with recommendations that would reduce the amount of classroom time by 50 percent, offer drivers more online and remote training options, and reduce the time it takes to become a driver once training is complete. The Task Force recommendations can be reviewed [HERE](#).

- **Improve the Enforcement Process for Drivers.** To improve the experience of drivers with the City, BACP will engage with drivers in a working group to clarify enforcement rules and identify additional opportunities for reform, including reducing the amount of fines.

The City's 2012 taxi reform ordinance improved the quality of taxi service in Chicago. Changes to vehicle age limits created incentives for the taxi industry to invest in more fuel efficient vehicles: today approximately 80 percent of taxis are fuel efficient, up from 11 percent in 2011, the year before the taxi reform ordinance went into effect. A more efficient fleet means that drivers pay less in fuel.

###