



February 15, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Biennial Report on Public Convenience and Necessity Regarding Taxicab Service; the Taxicab, Auto-for-Hire Inspection process; determine that the number of authorized taxicabs is sufficient; and, direct that the time period for filing of taxicab applications remains closed. (Citywide)

DISCUSSION

In May 2000, the City Council passed Resolution C-27694 closing the time period for the filing of taxicab applications until specifically opened by the City Council. In addition, the Resolution requires that not less than once every two years, beginning in October 2002, the City Manager conduct an investigation into the public convenience and necessity regarding taxicab service and recommend whether the period for filing of applications should be opened or remain closed. If it is determined by the City Council that the number of authorized taxicabs is sufficient for the needs of the City, then the time period for the filing of applications shall remain closed. If, on the other hand, the City Council determines that the number of authorized taxicabs is sufficient for the needs of the City, then the time period for the filing of applications will be opened.

City staff has conducted an investigation into the public convenience and necessity regarding taxicab service. The investigation examined the taxicab service being provided to both resident and non-resident taxicab customers, and finds that Long Beach Yellow Cab is providing satisfactory service, the number of taxicabs authorized to operate in the City will be sufficient, and recommends that the period for filing of taxicab applications remain closed. In addition, Long Beach Yellow Cab Co-Operative, Inc., has submitted a report (Attachment 1), which cites factors that will help in the weighing of public convenience and necessity. Additionally, Long Beach Yellow Cab Co-Operative, Inc., consulted with Gladstein, Neandross and Associates (GNA), an independent third-party expert in air quality issues, who compiled a report (Attachment 2). GNA's report highlights efforts with the agreement of the taxicab fleet replacement program that would result in the reduction of emissions and petroleum fuel use in the City.

The investigation into public convenience and necessity of taxicab service in Long Beach conducted three steps of review. First, a repeat of the customer service survey taken in 2008, was done on November 16 and 17, 2010 (Attachment 3) to determine the quality of taxicab service provided in the City. Second, a random spot inspection was conducted by City staff on taxicabs operating at the Long Beach Airport, and other various hubs in the City, to determine if the taxicabs had a clean and professional appearance, to check for valid taxi driver regulatory permits, and to verify the posting of a required sign with a customer service phone number for inquiries and complaints for the City of Long Beach. Third, City staff was in attendance at the annual Taxicab, Auto-for-Hire Inspection process on January 10, 11 and 12, 2011, performed on 154 Long Beach Yellow Cab vehicles at their facility in Gardena, CA, in conjunction with the Department of Public Works, Fleet Services Bureau (Attachment 4). As a result of these three days of inspections, three vehicles did not pass the first round of inspections, at which point they were required to be re-inspected by Fleet Services in order to be in compliance. All three vehicles were later re-inspected, remedying their deficiencies and passing their final inspection. As a result, all 154 vehicles were compliant with the requirements of the inspection process.

Over the course of the past year, in an effort to improve service delivery, Long Beach Yellow Cab recently completed the installation of the Taxi Magic Passenger Information Monitors (PIM) in the back seat of all 154 taxicabs to provide passengers with a convenient and secure way to pay for the taxicab ride using a credit card at the conclusion of their trip. The PIM devices also serve as an informative and entertaining tool displaying customized messages and a high definition interactive screen (Attachment 5). Long Beach Yellow Cab is the first taxicab fleet in Southern California to have implemented this technological enhancement, the Taxi Magic PIM. Long Beach Yellow Cab collaborated with the City to participate in the Taxicab, Limousine & Paratransit Association's (TLPA) "Pink Ride" Program for the month of October 2010, to raise community awareness in the battle against breast cancer. As a symbol of their support, Long Beach Yellow Cab temporarily changed the color scheme for one of its taxicabs by painting the entire vehicle pink (Attachment 6). Additionally, Long Beach Yellow Cab also provides annually free taxicab service on Election Day to Long Beach voters, to and from the polls. This service is provided to any Long Beach resident who calls the regular request line and specifies the nature of their request.

SUSTAINABILITY

Long Beach Yellow Cab is continuing to support efforts to promote environmentally sensitive business and lifestyle practices. In supporting these practices, the Yellow Cab Co-Op partnered with the City and adopted a "Green taxicab" program that requires owner-drivers to replace their existing taxicabs with compressed natural gas (CNG) or Hybrid-powered vehicles. Although they have not been immune to the effect of the country's economic crisis, they have maintained their commitment to greening their taxicab fleet. Long Beach Yellow Cab's fleet of 154 vehicles includes minivans that are exempt from this plan. Currently, minivans with the appropriate specifications are not offered with either CNG or a gasoline-electric hybrid form, and minivans can only make up 25 percent of the entire fleet.

With the 154 total number of taxicabs operated in the City, the requirement that 100 taxis must employ "green" technology as those units come up for replacement is obligated. Currently there are 52 hybrid or CNG-powered taxicabs under construction or in service, a total of 52 percent of the overall "green" requirement of 100 vehicles in service. An additional 26 vehicles will reach their eight-year life cycle in 2011 and be replaced this year with hybrid or CNG powered taxicabs, bringing the total of the green technology vehicles to 78 percent by the end on 2011. Once achieved, this will bring the City to the forefront as the highest percentage of "green" taxicabs in Southern California.

This matter was reviewed by Deputy City Attorney Richard Anthony on January 27, 2011 and Budget Management Officer Victoria Bell on January 28, 2011.

TIMING CONSIDERATIONS

City Council action on this item is not time critical.

FISCAL IMPACT

The annual business license tax of \$69,970, due January 1, 2011, allows Long Beach Yellow Cab Co-Operative, Inc., to operate up to 155 taxicabs. The business license tax was deposited in the General Fund (GP) in the Department of Financial Management (FM). Additionally, Long Beach Yellow Cab Co-Operative, Inc., paid \$17,094 as a full cost recovery reimbursement to the City for City-incurred charges related to the three-day Taxicab, Auto-for-Hire Inspection process.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



WILLIAM YEOMANS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

WY: ES: JEM
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER



January 5, 2011

VIA HAND DELIVERY

Mr. Erik Sund
Business Relations Manager
City of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802

Re: Long Beach Biennial Review of Public Convenience & Necessity

Dear Mr. Sund:

Thank you for requesting Long Beach Yellow Cab's input into the City's biennial analysis and determination of the public convenience and necessity of the taxicab industry. I am happy to provide you with the following information, which we believe mitigates strongly in favor of a decision by the City to make no change in the City's taxicab fleet at this time.

I would like to begin with an overview. The biennial review of two years ago took place at the very beginning of the country's banking and housing crisis. In our letter to the City from that time, we detailed the almost immediate effect that that crisis had on the level of taxicab trip demand in Long Beach. In the two years since that time, our country has experienced a recession described by many as the worst since the Great Depression, and the taxicab industry has not been immune to its effects. While overall taxicab trip volume in calendar year 2008 was only 3.2% lower than 2007, our business declined another 11.4% in 2009 compared to 2008. The lost revenue to each driver is several thousand dollars.

While we have seen a slight turn-around in 2010, it can be described as little more than "stopping the bleed." Overall trip volume in 2010 rose 1.65% compared to 2009, but was still off by 12.8% and 9.9%, when compared to 2007 and 2008, respectively.

Although our drivers and owners have been suffering with drastically lower revenue, we have, at the same time, maintained our commitment to greening our taxicab fleet. We now have 52 hybrid or CNG-powered taxicabs under construction or in service. We know of no fleet in southern California that operates a higher percentage of "green" taxicabs.

We believe that, when weighing public convenience and necessity, these facts point to the conclusion that the City of Long Beach should not authorize additional taxicabs at this time.

LONG BEACH YELLOW CAB CO-OPERATIVE, INC.

2129 W. ROSECRANS AVENUE ■ GARDENA, CA 90249 ■ (310) 715-1968 ■ FAX (310) 327-1703

The Balance of Supply and Demand

The concept of public convenience and necessity encompasses a balancing of the number of taxicabs on the city's streets with the demand for those services, while incorporating important city public policy objectives. When supply and demand are balanced, the public receives timely and reliable taxicab service from satisfied taxicab drivers who make a decent living wage to support their families. At the same time, this balance mitigates negative effects like traffic, pollution and overcrowding. An oversupply of taxicabs can severely depress driver incomes and leads to poor service as drivers are slowly starved out of the industry until the supply and demand balance is reestablished. Oversupply also leads to unsafe driving practices, as drivers rush to make as many trips as possible during periods of peak demand. Other negative effects of oversupply are wasted fuel and pollution and poor vehicle condition, all resulting from low revenue, and low service quality, as drivers who wait long periods for short trips show their unhappiness.

For many years, the City has enjoyed a strong balance of supply and demand by working with a single cooperative, Long Beach Yellow Cab. With the authority to operate up to 175 vehicles, Yellow Cab has every incentive to place as many taxicabs in service, but only if there is demand for new taxicabs and only if the taxicab drivers' incomes will not suffer.

Today, as we did in 2008, we have 154 vehicles in service out of our authorized 175.

Living Wages for Drivers

We know that the City Council has always expressed a strong policy in favor of living wages, and we support that view. Over the years, we have refrained from aggressively increasing the size of our fleet in operation because we know that our drivers must earn a decent living if we are to sustain the high level of service that we strive to provide to the City. The economic recession has significantly lowered overall revenue to the taxicab drivers, and until we see sustained growth with a return to previous business levels our fleet does not anticipate activating new taxicabs.

Green Cabs

In 2008, we worked with City staff to implement one of the cleanest, greenest taxicab programs in the country. Apart from a limited set-aside for wheelchair-accessible vehicles and some gasoline-powered minivans, every replacement vehicle or new vehicle placed into service as a taxicab has been either hybrid gasoline-electric, or fueled by compressed natural gas. We now have 52 vehicles hybrid or natural-gas burning vehicles, which is 50% of our non-exempt fleet, and about 33% of our overall fleet.

We are happy to be an important component in helping the city achieve its greening objectives.

In mid-2010, Long Beach Yellow Cab contracted with Gladstein, Neandross & Associates (GNA) to prepare a report which documents its progress thus far and to provide an independent third-party expert evaluation of its implementation efforts. GNA is one of the nation's leading environmental consulting firms, specializing in alternative fuel vehicles and clean fuel projects.

According to the GNA report, which is based on our June 2010 census of vehicles, in just two years, Long Beach Yellow Cab has reduced its fleet smog-forming emissions by over 50-percent and reduce our petroleum usage by almost 20-percent. Long Beach Yellow Cab has met all of our commitments to the City of Long Beach and is poised to continue this transition until it provides a 100% non-exempt "green" fleet.

By 2012, Long Beach Yellow Cab will make certain that the goal of the City of Long Beach to reduce smog and greenhouse gas emissions and lessen the dependence on foreign oil is realized. With an 80-percent reduction in NOx, and a 30 to 40 percent reduction in greenhouse gases and petroleum, the City and Long Beach Yellow Cab will have successfully completed this amazing environmental "green" plan.

We are attaching a copy of the GNA report to this letter for your perusal. This report is based on our June 2010 census of vehicles. We will provide an updated report from GNA based on January 1, 2011 census of vehicles prior to this item going to the City Council.

Long Beach Yellow Cab's Call Count – Impact of the Economy

Long Beach Yellow Cab's drivers' business comes from several sources: telephone orders that pass through our dispatch center, calls that passengers place directly with their own drivers, terminals such as Long Beach Airport, the cruise terminal and the Catalina terminal, venues such as hotels and shopping centers, and street taxi stands and street hails.

In the 12 months ending December 31, 2010, Long Beach Yellow Cab's call center handled more than 569,000 orders for taxicab service. As mentioned above, this represents a significant decline in business compared to the last biennial review.

Nevertheless, our service continues to improve every year, with 88.5% of orders serviced within 15 minutes (compared to 84.4% two years ago), and 93.5 % of orders serviced within 20 minutes (compared to 90.7% two years ago). As with last time, we attribute the improvement in service times to our continuing efforts to improve our computerized dispatch system and to the lower number of taxicab trip orders, which has resulted in taxicab being available faster.

You should know that the City of Los Angeles performs annual evaluations of the nine franchised taxicab companies in that city, and Los Angeles rates a company as “good” if it responds to 76% of its orders within 15 minutes of the order being placed. The company is rated as “excellent” if it achieves 80% within 15 minutes. Under this system, Long Beach Yellow Cab’s performance far exceeds a rating of excellent.

Technology Advancements

As we have done for more than 25 years, over the last two years, Long Beach Yellow Cab has continuously invested in new technologies to streamline our delivery of transportation, always without the need for our regulators to prod us to do so. Much of what we do happens behind the scenes, but our customers have noticed two major technological advances recently.

First, Long Beach Yellow Cab has been an early adopter of smart phone technology by accepting orders through electronic booking methods like Taxi Magic, and Go Fast Cab. Taxi Magic is an application for iPhone, Android and Blackberry that offers, GPS-enabled taxicab trip ordering, status updates and, if the customer chooses, payment options for passengers. Taxi Magic is one of the most successful travel applications on Apple’s iTunes Store, and it is exclusively available on Long Beach Yellow Cab and its sister companies in the greater Los Angeles area. Go Fast Cab’s system allows passengers to order taxicabs and get status updates by simply texting their address to 777222.

Second, Long Beach Yellow Cab is now the first taxicab company in Southern California with a backseat credit card payment device installed. This device is known as a Passenger Information Monitor, or PIM, and is built exclusively for Taxi Magic by Samsung SDS, the world’s leading electronics manufacturer. Our PIM is a rugged device designed for taxi conditions and includes an HD touch screen, speaker system, 3G connectivity, and Wi-Fi and Bluetooth capability.

This device is installed in the back seat of taxis to give passengers a rich entertainment experience during the ride. Passengers will appreciate the Internet-based services available through the touch screen interface, starting with a convenient, secure, credit card payment that takes mere seconds without having to hand the card to the driver. Also, Long Beach Yellow Cab will be able to streamline its credit card and house account processing while also generating incremental revenue from advertising, Internet services, and higher tips.

The PIMs represent a technology investment of more than \$150,000 by Long Beach Yellow Cab’s members.

Number of Cabs in Service

As mentioned above, although we are authorized to place into service 175 vehicles, and although we have every incentive to place into service as many vehicles as possible, we have 154

Mr. Erik Sund
Business Relations Manager
January 5, 2011
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vehicles currently in service. Because we have not yet recovered from the impact of the recession, we do not anticipate the need to add new taxicabs for the near future. Nor do we anticipate the need for more than 175 authorized vehicles over the next two years.

For all of the foregoing reasons, Long Beach Yellow Cab respectfully requests that the City determine that there is no change in the public convenience in necessity for its authorized taxicabs at this time.

Please contact me if I can answer any questions or provide any additional information to you.

Very truly yours,

A handwritten signature in blue ink that reads "William J. Rouse". The signature is written in a cursive, flowing style.

WILLIAM J. ROUSE
General Manager
Long Beach Yellow Cab Cooperative, Inc.

Long Beach Taxicab Fleet Emissions Inventory

Prepared for Long Beach Yellow Cab Cooperative, Inc.



Prepared by Gladstein, Neandross and Associates
Santa Monica, CA

I. Introduction

In 2008, Long Beach Yellow Cab Cooperative, Inc. (Yellow Cab) and the City of Long Beach renewed their agreement whereby Yellow Cab would implement an aggressive taxi cab fleet replacement program that would result in reductions of emissions and petroleum fuel use in the city. As one of America's greenest cities, the City of Long Beach is always looking for ways to make improvements to the environment. In fact, the City of Long Beach just won the US Department of Energy's Green Fleet Award as the number one greenest fleet in North America. Its partnership with Yellow Cab continues on this trend of providing the cleanest possible environment for the City and its' residents and guests. Yellow Cab is proud to partner with the City of Long Beach on this important effort and is committed to improving its operations and environmental performance, thus combining America's greenest taxicab company with America's greenest city.

To implement this agreement, Yellow Cab has developed a plan by which to replace its fleet with either gasoline-electric hybrid vehicles or compressed natural gas (CNG) vehicles over a four year period. Per its agreement with the city, Yellow Cab commenced its fleet replacement program near the end of 2008 and has completed one full year of its replacement efforts and is halfway through the second year. Yellow Cab has contracted with Gladstein, Neandross & Associates (GNA) to prepare a report which documents its progress thus far and to provide an independent third-party expert evaluation of its implementation efforts.

GNA is one of the nation's leading environmental consulting firms, specializing in alternative fuel vehicle and clean fuel projects. This report summarizes GNA's independent evaluation of Yellow Cab's clean fleet program efforts to date.

This report provides background on the agreement reached between Yellow Cab and the City of Long Beach, provides an overview of Yellow Cab's fleet replacement strategy, as well as an update on current implementation efforts. The report then concludes with a projection on the continued implementation of the program through fruition in 2012.

Through its review of Yellow Cab's fleet inventory on a year-by-year basis, GNA finds that Yellow Cab is on track to meet the goals of its agreement with the City of Long Beach. Yellow Cab now operates nearly 100 ultra-low emission and super, ultra-low emission vehicles in its Long Beach operations, with over 30 of them being gasoline-electric hybrids or CNG, and has thus successfully reduced a significant quantity of smog-forming and global warming emissions, as well as the use of petroleum fuels. In the coming years, GNA projects that Yellow Cab will operate over 100 gasoline-electric hybrids and CNG vehicles and will reduce petroleum usage by 40-percent.

II. Background

Yellow Cab Company is part of the largest taxicab cooperative in the Western United States. They have been serving the Long Beach area since 1982 and are the area's oldest, largest, and most efficient taxicab company. The secret to their success has been quite simple: superior customer satisfaction.

Yellow Cab has an exclusive arrangement to provide taxicab service in the City of Long Beach. This arrangement is not a formal contract; however, Yellow Cab continues to be selected on a biannual basis as part of the City's public needs and necessity assessment. Yellow Cab has been chosen consistently because of the excellent service they provide and now because of their commitment to providing the greenest fleet possible.

Due to geographic conditions and high population density, the Southern California region, and specifically the City of Long Beach, has some of the worst air pollution in the country. Because of this, California and the Southern California region lead the nation with efforts to reduce emissions. These emissions include global warming, greenhouse gases as well as smog-forming and ozone-reducing criteria pollutants. The City of Long Beach has recognized the enormous emissions challenge that it faces. The City operates the second busiest container port in the US, the Port of Long Beach, with over 5,000,000 containers transported last year. The Port has tackled the difficult problems associated with their environment for over 30 years and received the first American Association of Port Authorities Environmental "E" Award in the Western Hemisphere. Since then they have implemented their revolutionary Green Port Policy to protect the community from harmful environmental impacts of Port operations and to distinguish the Port as a leader in environmental stewardship and compliance. The City's vehicle fleet was recently voted one of America's Greenest Fleets.

On-road vehicles contribute over 40-percent of the smog-forming emissions emitted in the region. High mileage vehicles that consume high quantities of fuel are the biggest offenders. These vehicles typically include large trucks, buses and taxicabs. Due to their duty cycle, running back and forth through the community for many hours per day, taxicabs are a good target to achieve reductions.

In August of 2008, the Long Beach Yellow Cab Cooperative's Board of Directors partnered with the City of Long Beach to come up with a plan to improve the emissions from the taxicabs servicing the City. Beginning September 3, 2008, every non-exempt taxicab placed into service for the first time would employ "green" technology; either gasoline-electric hybrid or CNG. Some types of taxis are exempt from this plan, such as wheelchair-accessible minivans, of which Yellow Cab operates 15 of these in the City of Long Beach. Additionally, there are some non-accessible minivans that are exempt from this plan. Larger capacity taxicabs are sometimes needed to provide a complete service to the residents and guests of the City. These minivans are necessary to serve key accounts that may involve the transportation of special-needs children and customers that require extra room for passengers and/or luggage. Unfortunately,

minivans are not currently offered with either CNG or in a gasoline-electric hybrid form. Non-accessible minivans can only make up 25-percent of the entire fleet, which allows for around 35 total non-accessible minivans in the City. The total Yellow Cab fleet operated in the City is around 150 taxis, leaving 100 taxis that must employ "green" technology. Finally, no gasoline-powered non-exempt taxicab shall remain in service once it is eight years old.

Yellow Cab's commitment to the City of Long Beach was to eventually replace their entire non-exempt fleet to "green" vehicles. This effort began in the late part of 2008 and will take four years to accomplish. Their commitment was to replace 25% of the non-exempt fleet each year with "green" vehicles. By the end of 2009, the first full year of the commitment, the Cooperative met the 25% goal. By the end of 2010, they must replace 50% of the fleet with "green" vehicles. By the end of 2011, they must replace 75% of the fleet, with the remainder of the non-exempt fleet replaced by the end of 2012. At that time, the only non-hybrid or CNG vehicles in the fleet will be exempt minivans or handicap-accessible vehicles.

Year	2009	2010	2011	2012
% "green"	25%	50%	75%	100%

III. Results

Yellow Cab provided a detailed inventory of their total taxicab fleet as of the last day of 2007, 2008, 2009, and as of June 1, 2010. The inventory included fleet unit number, manufacturer make, model and vehicle identification number (VIN). GNA reviewed the Yellow Cab inventory and researched the California Air Resources Board (ARB) Executive Order for each vehicle in the fleet to determine the grams per mile of various important emissions that create smog from each vehicle, including hydrocarbons, carbon monoxide and oxides of nitrogen. In addition, the average fuel economy (miles per gallon) was logged from www.fueleconomy.gov. This value was then used to determine petroleum usage as well as converted to grams per mile of equivalent CO2 (carbon dioxide) using data from the ARB Low Carbon Fuel Standard. Equivalent CO2 is the generally accepted way to quantify greenhouse gas emissions. GNA continued the analysis by determining the emission category of each vehicle, each year (categories include: low emission vehicle, ultra low emission vehicle, super ultra low emission vehicle) and the type of "green" technology each vehicle used (gasoline-electric hybrid or CNG). The results of this analysis is what follows, with Yellow Cab showing significant reductions in all emissions and petroleum used, as well as significant increased use of "green" technology and ultra low or super ultra low emission vehicles.

Per the South Coast Air Quality Management District's brochure, Dirty Air: The Health Effects of Air Pollution, smog is the general term used to describe a variety of air pollutants, including ground-level ozone (smog's main ingredient), particulate matter, carbon monoxide and oxides of nitrogen. It refers to air pollution that is formed when

gases from many sources are released into the air and chemically react with each other in sunlight. Ocean breezes sweep the smog inland toward the mountains where an inversion layer of warm air pushes it down, trapping the smog close to the ground where we live and breathe.

Ground-level ozone (O₃) is a colorless, odorless pollutant formed by a chemical reaction between volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) in the presence of sunlight. The primary source of VOCs and NO_x is mobile sources, including cars, trucks, buses, plus agricultural and construction equipment. In contrast, stratospheric ozone in our upper atmosphere, better known as the ozone layer, shields the earth from the sun's harmful ultraviolet rays. Ozone is a strong irritant that can constrict the airways, forcing the respiratory system to work harder to provide oxygen. It also can cause:

- Aggravated respiratory diseases such as emphysema, bronchitis and asthma
- Damage to deep portions of the lungs, even after symptoms such as coughing or a sore throat disappear
- Wheezing, chest pain, dry throat, headache, or nausea
- Reduced resistance to infection and increased fatigue

Particulate matter (PM) is the term used for a mixture of solid particles and liquid droplets found in the air. It originates from a variety of sources, including motor vehicles, power plants, construction activities, soil dust, soot and industrial processes. Coarse particles (PM₁₀) are generally emitted from sources such as windblown dust, vehicles traveling on unpaved roads, and crushing and grinding operations. Fine particles (PM_{2.5}) can come from fuel combustion (motor vehicles, power generation, industrial facilities) and fugitive dust. PM_{2.5} is formed primarily in the atmosphere from gases such as sulfur oxides, NO_x, and VOCs. A series of scientific studies has linked particulate matter, especially fine particles, with a variety of significant health problems:

- Aggravated asthma, heart, or lung disease
- Respiratory-related hospital admissions and emergency room visits
- Acute respiratory symptoms, including severe chest pain, gasping, and aggravated coughing
- Decreased lung function which can be experienced as shortness of breath
- Chronic bronchitis
- Premature death

Carbon monoxide (CO) is a colorless, odorless gas by-product of combustion produced primarily by motor vehicles. Carbon monoxide replaces oxygen in the body's red blood cells. People with heart disease are more susceptible to developing chest pains when exposed to low levels of carbon monoxide. Exposure to high levels of carbon monoxide can:

- Slow reflexes and cause confusion and drowsiness
- Result in death in confined spaces (i.e., an enclosed garage) at very high concentrations

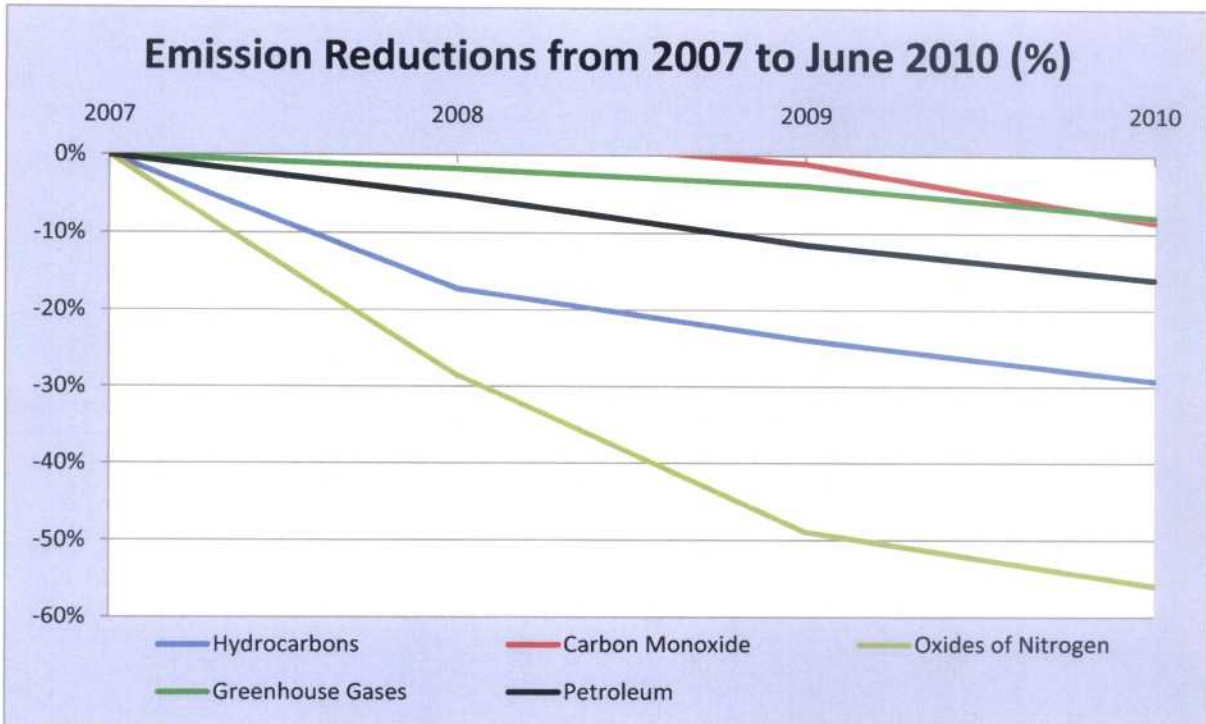
Yellow Cab has steadily increased the use of “green” technology since 2007. In addition, Yellow Cab has consistently acquired more ultra-low emissions vehicles (ULEV) and super ultra-low emissions vehicles (SULEV) since that time. Those vehicles have quickly become more predominant in the fleet than those that are not reaching those special emissions certified standards.

	2007	2008	2009	June 2010
Hybrid	0	2	11	22
CNG	1	8	14	14
ULEV/SULEV	58	75	83	96
% “green” non-exempt	1%	11%	25%	36%

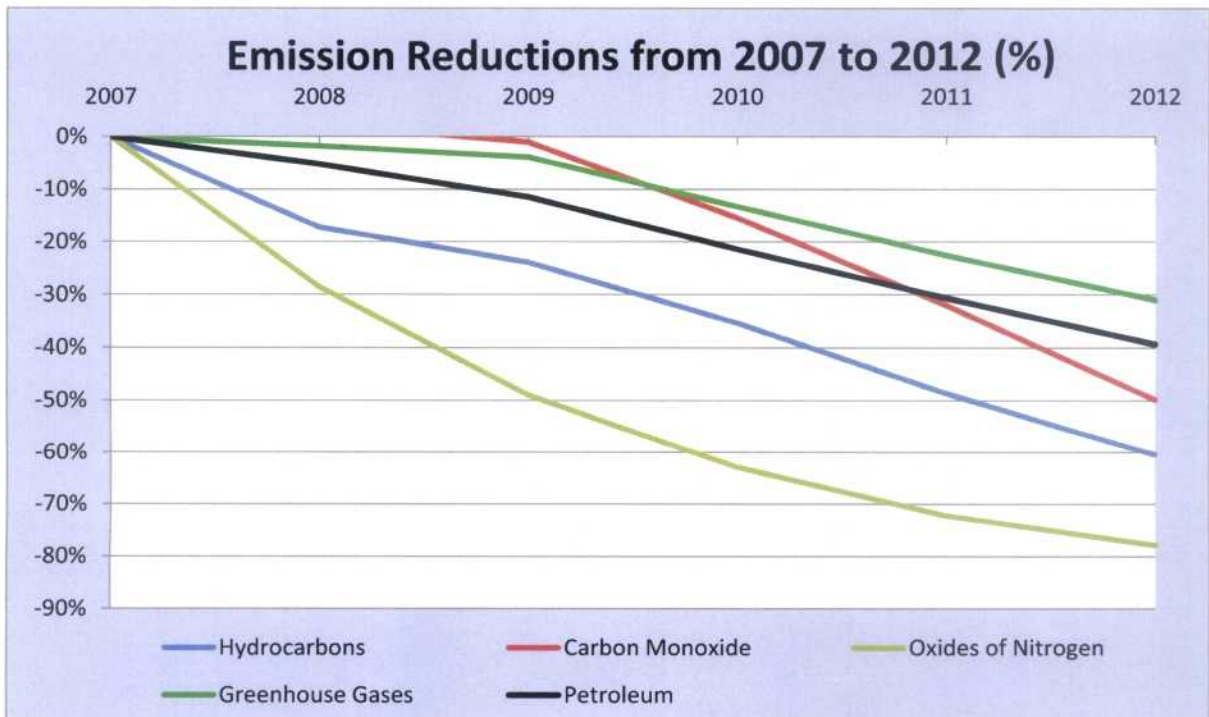
In the first few months of Yellow Cab’s “green” program, their fleet overall emissions were reduced by approximately 10-percent, while petroleum usage was reduced by five-percent. This was accomplished primarily by replacing almost 10 vehicles with CNG or gasoline-electric hybrid vehicles. By the end of 2009, Yellow Cab had replaced 25-percent of their fleet with “green” technology; the first milestone of their program. This resulted in a 20-percent reduction in overall fleet emissions and more than a 10-percent reduction in petroleum usage. As of June, 2010, Yellow Cab has replaced 36-percent of its’ fleet with “green” technology, resulting in a 25-percent reduction in emissions and 16-percent reduction in petroleum use. All emissions and petroleum data is on a per-mile basis and therefore is independent of increases or decreases in total miles travelled due to the economy or other reasons.

Yellow Cab will reduce total fleet emissions by 55-percent and petroleum usage by 40-percent, by the end of 2012. Specifically, they have reduced NOx emissions by over 50-percent and will reach 80-percent reductions by 2012; greenhouse gases will be reduced by over 30-percent by 2012. Yellow Cab will have a 100% “green” non-exempt fleet by 2012, which will require the replacement of 64 more vehicles with either gasoline-electric hybrid or CNG, and they will have added more than 60 ULEV or SULEV vehicles to their fleet since 2007.

The following graph shows the amount of emissions and petroleum reduced each year since 2007.



Given Yellow Cab's great progress, GNA expects continued compliance in future years. Assuming so, once Yellow Cab has reached their goal in 2012, their emissions inventory should look like the following:



	2010	2011	2012
Hybrid	36	62	86
CNG	14	14	14
ULEV/SULEV	105	107	121
% "green" non-exempt	50%	76%	100%

IV. Conclusion

The City of Long Beach has done an amazing job with the introduction of a green taxicab fleet with help from their partner and sole taxi service provider, Yellow Cab. In two years, Yellow Cab reduced smog-forming emissions by over 50-percent and reduced their petroleum usage by almost 20-percent. Yellow Cab has met all of their commitments to the City of Long Beach and is poised to continue until providing a 100% "green" fleet. By 2012, Yellow Cab will make certain that the goal of the City of Long Beach to reduce smog and greenhouse gas emissions and lessen the dependence on foreign oil is realized. With an 80-percent reduction in NOx, and a 30- to 40-percent reduction in greenhouse gases and petroleum, the City and Yellow Cab will have successfully completed this amazing environmental "green" plan. GNA will continue to monitor Yellow Cab's "green" cab program ensuring that all commitments to the City are met.

Taxicab Survey
November 16, 17, 2010

COMPANY/ORGANIZATIONS SURVEYED

Business Relations Bureau, License Inspectors surveyed hotel operators/concierges and transportation hubs in the city, based on their daily observation to rate the taxicab service at the following locations:

1. Queen Mary
2. Catalina Express
3. Long Beach Aquarium
4. Hyatt Long Beach
5. Renaissance Hotel
6. Hilton Long Beach
7. Residence Inn LB
8. Long Beach Marriott
9. Holiday Inn No. 1
10. Hotel Current
11. Golden Sails
12. Seaport Marina
13. Holiday Inn No. 2
14. Courtyard Marriott
15. Westin Hotel
16. Greyhound



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 W. Ocean Long Beach CA 90802

Taxicab Survey

The following are cumulative results of scores from the individual Companies and Organizations surveyed on November 16, and 17, 2010 at various sites.

Based on your observations, please circle the appropriate response.

1. The current taxicab service in the City of Long Beach is timely?

Constantly	Often	Occasionally	Seldom	Never
### I	### IIII		I	

2. The current taxicab service in the City of Long Beach presents a clean and professional image.

Constantly	Often	Occasionally	Seldom	Never
III	### II	III	III	

3. The current taxicab service in the City of Long Beach is courteous to customers.

Constantly	Often	Occasionally	Seldom	Never
### II	III	###	II	

4. I have received complaints about the current taxicab service in Long Beach.

Constantly	Often	Occasionally	Seldom	Never
I		III	III	###

5. I rate the present taxicab service in the City of Long Beach . . .

Outstanding	Superior	Satisfactory	Poor	Unsatisfactory
III	III	### III	I	

TAXICAB, AUTO-FOR-HIRE

CITY OF LONG BEACH
FLEET SERVICES BUREAU

INSPECTION FORM

ATTACHMENT 4
Date: _____

Company:	Fleet Services Bureau Use Only				
Year:	Work Order Nbr. _____				
Make & Model:					
License No:	Employee (1) ID: _____	Time In _____	Out _____		
VIN #:					
Make Check Payable To "City of Long Beach"	Employee (2) ID: _____	Time In _____	Out _____		Vehicle Pass
Fee Paid: \$111.00					Vehicle Fail

LONG BEACH VEHICLE REQUIREMENTS

Inspection	Pass	Fail	Comments
Tires			
Glass			
Lamps: Head Tail Stop			
Lamps: Directional Flasher			
Lamps: Clearance Dome			
Visual Inspection Date			
Back-up Lights			
Robbery Light			
License Plate Lamp			
Odometer			
Meter			
Wipers Horn Defroster			
Mirrors			
First Aid Kit			N/A
Fire Extinguisher			N/A
Flares			N/A
Brakes: Service Parking			
Brakes: Visual Inspection Date:			
Steering Mechanism			
Registration			
Driver ID/ Permit Displayed in View			
Insurance			
Exhaust System			
Emergency Exit Warning			
Seats Upholstery			
Seat Belts			
Lettering: Size			
Lettering: Location			
Floor Covering			
Radio (Two-way)			
Truck Unlock Device			
\$5.00 Change Sign			
Rate Postings			
Display Cust. Ser. Phone # 562.570.6211			
In Both English and Spanish			
Overall Cleanliness			

INSPECTORS: _____

INSPECTORS SIGNATURE(S) _____

DATE: _____

VEHICLE DRIVER'S SIGNATURE _____

DATE: _____

**FOR IMMEDIATE RELEASE**

January 26, 2011

MEDIA CONTACT

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Email: scarrillo@layellowcab.com**PRESS RELEASE**

Long Beach Yellow Cab Rolls out Industry's Most Advanced Media and Payment Device for Passengers

Long Beach, CA – January 26, 2011 – Long Beach Yellow Cab is rolling out its Taxi Magic Passenger Information Monitor (PIM). These devices are installed in the back seat of taxis to give passengers a rich entertainment experience during the ride and convenient, secure, credit card payment at the end.

Taxi Magic's PIM enables passengers to pay for their taxi ride in mere seconds, thanks to an interactive touch screen TV. The interface will also entertain people and inform the passenger throughout their ride, a benefit that differentiates Long Beach Yellow Cab by offering a rich entertainment experience to their passengers.

A true next-generation device designed for taxi conditions, the Taxi Magic PIM also includes an HD touch screen, speaker system, 3G/4G connectivity, Wi-Fi and Bluetooth capability, and is designed for easy integration with other in-vehicle devices via a programmable multi-port junction box.

"For more than 25 years, Long Beach Yellow Cab has always been a technology leader and has invested in new technologies to streamline our delivery of transportation, always without the need of our regulators to prod us to do so," said William J. Rouse, General Manager of Long Beach Yellow Cab. "We are excited to be the first fleet in Southern California to offer the Taxi Magic PIM to our customers. Passengers will appreciate the Internet-based services available through the touch screen interface, starting with credit card payment that takes mere seconds without having to hand the card to the driver."

"We are very excited about the opportunity to support a terrific ride experience for Long Beach Yellow Cab passengers while also contributing to its business objectives, said Taxi Magic President Sanders Partee. "We designed the PIM for both riders and fleets. Riders want fast and safe payment where they maintain control of their credit card and the transaction amount. Taxi fleets want to streamline their credit card and house accounts processing while also generating incremental revenue from advertising, internet services and higher tips."

The PIMs represent a technology investment of more than \$150,000 by Long Beach Yellow Cab's members and the installation of the PIMs is expected to be completed by the end of January 2011.

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Taxi Magic Passenger Information Monitor

Give your passengers the industry's best back seat device... that pays for itself.

The Taxi Magic PIM is designed to provide a superior passenger experience — high definition video content, touch-screen Internet applications, and fast convenient payment with credit cards and other non-cash options. Many of these services generate revenue to help you quickly repay your investment.

Passenger benefits

- Enjoy the ride with exciting news and entertainment video content
- Pay quickly and safely with a credit card, other card programs or paperless house accounts
- Print coupons, buy show tickets, and surf online with your laptop, iPod Touch or iPad

Fleet benefits

- Attract new passengers
- Please and retain existing passengers
- Generate higher tips
- Get paid for new services
- Streamline operations and reduce costs



PIM hardware features

- Rugged case, components and connectors designed for taxi conditions
- High performance ARM processor
- 7" LCD outdoor-rated touch screen with high definition video
- Stereo 2-watt speakers
- Double-sided magnetic credit card swipe and contactless payment
- 3G modem, Wi-Fi and Bluetooth
- Easy integration with other in-vehicle devices via multi-port junction box

“ We believe Taxi Magic’s PIM will create rider buzz and give us a competitive advantage when people are deciding who to call for a ride. — Bill Rouse, General Manager, ASC-Yellow Cab of Los Angeles ”

“ We’re excited about the new revenue opportunities from advertising, e-commerce, and credit card payment. — Neal Nichols, President, Arlington Red Top Cab ”

