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## Official proposal would gut market dominance of Yellow Cab in Dallas



Credit: WFAA

A News 8 investigation found that Yellow Cab sold insurance that did not exist to its subcontracted drivers.

by DAVID SCHECHTER

WFAA

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DALLAS -- A proposal to overhaul the transportation code for the City of Dallas would gut the near-monopoly status of the Yellow Cab Company in North Texas. Yellow's market dominance, estimated by its competitors at 70 percent, developed through more than a decade of weak oversight by the City of Dallas.

This proposal, obtained by News 8, will be released on Friday. Developed by a transportation work group chaired by Dallas council member Sandy Greyson, it would entirely scrap existing taxi regulations -- many of them favoring Yellow -- and create new rules.

Seven months of investigative reports from News 8 revealed that Yellow openly violated safety regulations without punishment from the city. In particular, News 8 has reported Yellow jeopardized passenger safety by operating without the city-required level of liability insurance, a serious violation that city regulators were aware of for years.

Greyson's draft proposal was developed through a series of seven meetings with stakeholders in the transportation industry, including Yellow.

The proposal would erode Yellow's dominance by:

- Breaking the cap on the total number of cabs allowed to operate in Dallas. Currently, Yellow's profits are protected by city limits that prevent new cab companies from opening and expanding.
- Allowing permitted drivers to move freely between companies. Drivers have complained that current rules make it difficult to leave Yellow and drive elsewhere.
- Eliminating age and mileage restrictions on a vehicle. Competitors say the existing rules restrict competition by favoring newer, more expensive vehicles driven by Yellow.
- Requiring a cab company to "report any accidents or insurance claims to the city." News 8's stories have shown the legitimate claims of some injured passengers were denied by Yellow. The new rules would also increase insurance liability requirements from of \$500,000 of coverage to \$1 million.
- Ending a program that allowed Yellow's Cab vehicles, powered by Compressed Natural Gas, to skip to the front of the line when picking up passengers at Love Field. This keeps non-Yellow drivers from competing for lucrative airport fares.

After News 8 revealed in November that Yellow drivers were operating without enough insurance, the City of Dallas ordered the taxi company to come into compliance within 30 days and Yellow complied. Since then, the City has taken no punitive action against Yellow.

A representative from Yellow Cab was not available to comment. The company has previously said it has always been transparent with the City and operated within the rules. Yellow says it immediately complied when the City asked it to change its insurance coverage.

Greyson's draft proposal to create a new transportation-for-hire ordinance will be discussed Friday at an 11 a.m. meeting at City Hall.

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