



PRIVATE FOR-HIRE TRANSPORTATION BOARD OF REVIEW

Minutes for July 13th, 2011 meeting

1. Call to Order

Time: 1:30pm

Roll Call

Present: Ryan Hashagen, John Case, Kat Wilkes, Raye Miles, Michael Huggins, Red Diamond, Muzafar Rasheed, Yassin Mohammed, Ramon Corona, Jeff Blosser, Jon Putman, Al Ochoa, Gail Bauhs, Kathleen Butler, Frank Dufay, Patrick Kramer, and Lauren Wolfe

Absent:

Others/Audience: The list of other attendees is available from the Revenue Bureau.

2. Agenda

Motion to postpone item #5, (Proposed Language for Shuttle Regulations) to the next meeting: Ms. Butler

3. Approval of Minutes from May, 12th, 2011

Motion to approve minutes: Mr. Case

Seconded by: Mr. Putman

Passed Unanimously

4. Proposed Language for Ordinance Prohibiting Payments/Gratuities for Referral of Passengers

Kathleen Butler introduced Red Diamond and Butch Miller as the primary people to bring forward the issue of payments/gratuities for the referral of passengers.

The City has looked at other City ordinances and compared complaints relating to the payment for referral issue.

We have received complaints about these referrals. Customers have issued complaints indicating that the referrals have caused delays and inconveniences to their trips. Drivers have issued complaints because they are upset that the fares which should be going to taxis are going to LPT vehicles that do not have reservations and are violating City Code regulations. This violation creates an unequal playing field for the drivers who are following the rules and also allows for customers to get cheated by paying more money for fares.

According to other cities, the prohibition of this practice has resulted in improvement and has decreased the number of taxi trips that get referred to LPT drivers.

During the discussion, Steve Entler asked about the difference between the language for B and C from the Code. The Board replied that the intention was for B to prohibit the "soliciting" of payments for the referral of passengers and C to prohibit the "Accepting" of gifts and/or gratuities.

Kevin Hewett, an independent contractor with Broadway Cab, agrees with the language of the proposed ordinance but believes that it “lacks emotion.” Mr. Hewitt stated that there is a lot of anger among the taxi driving community. He discussed that he loses about \$900 per month from stolen fares and refuses to be a part of the group of individuals who are going against policy and creating an unjust work environment. “Bribery has a strong foot hold in today’s Private for Hire industry in the City of Portland.”

Dan Mark, a driver for Radio Cab, stated that many taxi companies agree to provide certain services or discounts to hotels or restaurants in exchange for referrals and business. Jakes Grill, downtown is often paid \$10 for every customer referred to them by the concierge. Hotel employees are often given discounts on transportation services in exchange for business referrals and recommendations. Mr. Mark explained that this exchange is standard in almost all service providing industries and people rely on these gratuities and exchanges to make a living. Issuing a \$1,500 fine to individuals who generally make minimum wage is unrealistic. Mr. Mark believes that the City is not doing enough to prevent the unpermitted Companies, vehicles and drivers from operating and feels that passing the prohibition will not prevent the payments for referrals.

Another driver (name unknown) from Broadway Cab said that he had a bad experience with another taxi driver. He explained that while waiting for a fare, another driver cut in front of him. The driver asked him “where are you from?” and he replied that he was from Ethiopia. The other driver told him that he didn’t belong in the cab industry and that he should be working as a dishwasher. The hotel then banned him for three months and allowed the other driver to continue to work. He feels that this is unjust and wants something to be done about the bribing for the referral of customers.

Tahier, a driver for Radio Cab, believes what is going on with the hotel doormen is “pure bribery”. The reason why unpermitted drivers and vehicles have become such a problem is simply because money bribery influences the transportation system. Mr. Tahier explained that it is critical to prohibit payments for referrals and other types of business because it allows for not only unfair advantage but creates a safety issue. When hotels call certain companies for drivers to pick up, Mr. Tahier said that he has witnessed many cars speeding to get to the hotels as fast as they can so that another driver will not get the fare.

Bill Perry, from the Oregon Restaurant and Lodging Association, asked for a better interpretation for soliciting and accepting of payment. Mr. Perry said that there is a difference between a bribe and tipping and many service industry workers make tips as part of their living. He suggested the initial fine to the hotels be lowered until the language better explains the differentiation.

Ms. Butler replied that if the employer takes action against an employee and deals with the situation then the fine against the hotel would most likely be dropped.

Al Ochoa suggested that there should be definitions for the terms such as, “gratuity” and “solicit” that would be included with the language of the Code.

Kedir Wako said that it is not only the migrant drivers who are doing the soliciting. In the City of Portland, most doormen are Americans and not from another country and the doormen should be blamed just as much as the drivers. Mr. Wako said that it is important to see the bigger picture and ask the question, "Why would someone want to pay \$10.00 to doormen when they could get a fare for free?"

Hernando Martinez, a taxi driver, said that there is no excuse for bribery in America. He said that, migrants come to this Country for freedom and not to have someone tell them to pay money for fares. Mr. Martinez explained that he is tired of dealing with this unfair system and waiting for hours in line for fares that he may not even get. In other City's, if you are caught bribing for fares, you must pay a \$1000 fine and the second time, your permit is revoked. Mr. Martinez stated that the City of Portland needs to take the same type of action and help put an end to this issue.

Tesfaye Aleme, owner of Green Cab, explains that as a company owner, it is hard to decide what action to take on the drivers when he doesn't always get the full story. He said that on one side he gets complaints from the drivers and then on the other side gets calls from hotels. Mr. Aleme said that simply telling the drivers not to do something is not enough and that there needs to be a standard rule that applies for all companies in order for anything to change.

Kyle Kautz, from PDX Pedicab, says that he sees bribery everyday and doesn't agree with what is going on in the cab industry but admits to giving tips to hotels in exchange for business. Mr. Kautz stated that his company will give complementary tour guides to people who will help bring them business and believes that the Code doesn't specify as to whether or not this type of business is considered bribery. He believes that this type of business exchange is more about advertising.

Ms. Butler replied by saying that the City does do not want to limit any kind of promotional activities from any company and will work on putting language in the Code that allows certain product placement and advertising.

Jason, a dispatcher for Green Cab, disagreed with what Mr. Perry said about the penalties to the hotels being too high and feels that they should be paying even more. It is the hotel management and owners who hold the power to stop this practice and that they should know what is going on in their hotels. He stated that this long standing practice is what allows management and company owners to pay the doormen minimum wage as well as prevents raise requests. The drivers should be penalized but it should be the management and owners who have to pay the large penalties.

Pat Montgomery, manager of New Rose City Cab, said that the issue with drivers giving kick backs to doormen has been going on for a long time and whenever there is word out that the City is cracking down, the people involved in this business always try to work around the system. There have been reports that hotel employees are giving out guest room and reservation information to drivers so that they know what kind of fare they are getting. They also are giving out guests' personal information such as phone numbers and addresses which is a violation and safety issue. Ms. Montgomery is glad to see that the City is in the process of enforcing this issue and including it in the Code.

Jeff Blosser is in favor of the prohibition but feels that there should be something written in the Code about notifying the hotels and companies about issues that arise. There should be something in the Code that talks about what happens when someone doesn't pay a penalty. Mr. Blosser stated that he feels the fines should be lowered at least for the initial penalty and should go up with repeated violations.

Ms. Butler replied by saying that we will work on incorporating a more descriptive language in the Code that describes the responsibility of the companies. The penalties are purposely high because the higher the penalty, the higher the deterrent. The Code says that if any persons who are issued a penalty do not pay the fine, they will lose their permit.

Red Diamond repeated some of what was discussed in previous meetings about the negative impacts that kick backs have on the taxi industry and the customers. Mr. Diamond agreed with Mr. Hewett and said that he also loses about \$1000 dollars per month from stolen fares. He stated that he does not believe the City should issue any more permits to companies until we start to clean up and resolve the issue. Mr. Diamond created a petition that he passed around at the Board meeting where he had gathered over 300 signatures and comments from drivers and the general public who are against the practice. He read multiple comments out loud to the Board.

John Case views the passing of the ordinance as not fully stopping the practice but rather punishes those who are caught engaging in it. Mr. Case stated that it is a positive action by the city to support the fairness of the taxi service industry and he supports the proposal completely.

Raye Miles says that there is a fundamental difference between the cab industry and the restaurant industry. Vacationers and tourists are often times unwilling accomplices to this practice and if they had a better understanding with what was happening in the hotels they would be outraged. Travelers often times give doormen a tip for their service so not only are the doormen getting tips from customer they are also getting tips from the drivers. Ms. Miles said that this is completely unethical and believes that customers can really help to prevent this practice from happening if they were aware. Ms. Miles pointed out that although she does agree with passing the proposal she feels that it is unfair that no doormen were able to explain their side of the story and should be given a chance to do so before the ordinance is passed.

Ramon Corona believes that the doormen are aware of this issue and have had plenty of opportunity to come to the Board and tell their story and it is time to move forward with the process.

Motion to delay the vote on the prohibition of payments/gratuities for the referrals of passengers until the next meeting in order to give all parties additional opportunity to testify on the final proposed Code language: Mr. Putman
Seconded: Mr. Corona
Passed Unanimously

5. Consideration of Requests for Relief from the Moratorium-LPT Permit Applications

Frank Dufay went over the demand study graphs that were added for the Standing Committee Meeting. The graph for passengers at PDX 2006-2007, shows that in 2007 there were over 14,500,000 passengers. This number dropped in the following years to under 13,000,000. It came back up a little bit in 2010 but not enough to get back to the 2007 number.

The next graph is an updated version of what Sorin Garber did a few years ago. In this chart, Mr. Garber compared 6 sectors of the economy and the number of employees within each sector. Mr. Dufay looked to see whether or not the numbers had increased or decreased. He found that 2007 was the high point for employment and the following years dropped. Mr. Dufay took it one step further and compared eight sectors instead of six including government and education as additional factors. Even with factoring government and education, the graph indicates that there has still been a dramatic decrease of employment and passengers since 2007. Business still has not fully recovered.

Applicants for Permits:

William Nixon, **Blue Star**

Mr. Nixon serves the outside areas of Troutdale and Gresham and would like to become legally permitted so that he can pick up and drop off customers at the airport. Mr. Nixon has a lot of support from his customers from these areas and he believes that it is important to stay in business for these customers in rural areas. He only asked for one permit for a vehicle that he alone will drive.

The Board addressed the issue that Mr. Nixon applied for an executive sedan permit when he has a taxi top light and a meter in the vehicle. He is also not charging the correct amount for a trip to the airport which is another violation of the Code. An executive sedan permit requires a minimum of \$50 and because Mr. Nixon charges significantly less, only \$20, this is a violation of the Code.

Motion to Approve Blue Star Cab for Permit: Ms. Butler

Pass: Kat Wilkes

Oppose: Unanimous

Amad Rasheed, **Premiere Shuttle**

Motion to Deny Premiere Shuttle City Permit/s: Red Diamond

Seconded: Mr. Case

Passed Unanimously

Thomas Drassa, **Safe Airport Shuttle**

Motion to Deny Safe Airport Shuttle City Permit/s: Mr. Diamond

Seconded: Mr. Case

Passed Unanimously

James Bruce, **Portland Black Car**

Mr. Bruce discussed at the last Board meeting that he requested three permits for new vehicles that have been inspected and are ready for use.

Motion to Approve Portland Black Car three City Permits: Mr. Ochoa

Seconded by: Mr. Case

Passed Unanimously

Ms. Butler suggested the Board hold off on any votes for the following Cab company permits until the next Board meeting in September. At that time, we hope to have preliminary recommendations coming from the study that we have been working on about the economic conditions of the taxi drivers.

Jaido Abino, **Always Cab Co.**

Mr. Abino said that he has been a cab driver for many years and is well known among the taxi industry. His dream is to own a taxi business of his own and pass the company down to his children. Mr. Abino explained that he has a lot of experience as a business man and his educational background has taught him how to run a business. His hope is that the Board grants him fifteen permits to start his company but would appreciate more.

Ms. Butler asked Mr. Abino if he was still operating in the City of Portland without permits.

Mr. Abino did not fully respond to the question.

Kedir Wako, **Union Cab**

Mr. Wako read aloud a letter that he wrote to the City in hopes to be granted permits. Mr. Wako spoke about the disadvantages in the cab industry. He also spoke about the social and economic benefits to granting more permits to a driver owned company. Everyone must make a living and there are many people who are relying on these permits.

Denis Bromka, **Portland Electric Cab Company**

Mr. Bromka is a representative of business man, Sho Duzono. Mr. Duzono has put in an application for twenty five permits but understands that the demand for permits is high. Mr. Bromka rewrote some of the previous business plan which is based on the rapidly growing support for electric vehicles and an alternative to fossil fuels. "Electric vehicles will benefit the City of Portland and allow for future alternative fuel ideas to flourish."

Mr. Case brought up his concern that the company will not be able to meet Code requirements such as having 10% of their vehicles wheelchair accessible. Although he

sees the first all electric cab company as being a positive image for the City of Portland, having to bend Code rules to accomplish that is not the way to conduct a new business.

Gail Bauhs addressed the idea of having more frequent meetings to get the process moving faster instead of having Board meetings every other month.

Patrick Kramer pointed out that with the case study still being in affect, they would need up to 90 days to collect data and it wouldn't be possible to end things sooner. Bringing issues to Standing Committee meetings and Ad-Hoc meeting helps address issues in greater detail and seems to be helping with speeding processes up.

The Board came up with the consensus to delay the issuing of taxi permits until the September 28th meeting.

Tesfaye Aleme, **Green Cab**

Requests more permits for his company to match the demand for business. Mr. Aleme said that with the number of vehicles he has available it is not enough to answer the number of calls they are getting and in turn, is taking away business. If they were allowed more permits, they would be able to answer to a higher demand. Mr. Aleme explained that he doesn't need more than ten the first year and will gradually request more in later years. He also pointed out that he is working on incorporating more electric vehicles to his fleet.

Pat Montgomery, **New Rose City Cab**

Ms. Montgomery said that the company is requesting 30 permits because it is very difficult to run a business with only nineteen permits. Year after year, they have asked for more permits and the requests have not been granted. She said that there is a lot of underserved market out in the City and it is important for the smaller companies to have a chance to serve that market.

Steve Entler, **Radio Cab**

Mr. Entler said that he has seen Radio Cab be built from the ground up. They have not asked for permits for years and feels that they are deserving of these new permits. He spoke about his submission of evidence of the increased demand for Radio taxis.

Vyacheslav Karkhu, **Portland Taxi**

His company has been in business for over 33 years and the business continues to rapidly grow. They do not have enough vehicles to answer all of the business calls and therefore are losing that business. Mr. Karkhu said that soon his company will have more than 20% hybrid electric vehicles.

Raye Miles, **Broadway cab/ Sassy's Cab**

Ms Miles said that the company is requesting 30 new permits from the city. She stated that out of any other company in Portland, Broadway Cab has the greatest number of wheelchair accessible vehicles, and the greatest number of hybrid electric

vehicles.

For the company, Sassy's Cab, they are requesting an additional 13 permits. Ms. Miles stated that it is difficult to operate with only 17 permits. She said that Sassy's is the most deserving of permits.

6. Public Comment No Comment

7. Board Member Comment

Mr. Putman asked if we licensed the "Pink Trolley" and "Double-Decker PDX". Ms. Butler replied no.

Mr. Putman asked Ryan Hashagen why there is no signage on the pedicabs. Mr. Hashagen replied that there are a number of pedicab companies that are operating unpermitted and they are required to have signage.

Mr. Putman stated that it is unclear as to what the policy is for taxi top lights and we need to set a standard for all taxi cab companies.

Ms. Butler mentioned that Patrick has been working on getting the new pedicab plates as soon as possible.

Mr. Hashagen said that the permitted companies need to have signage and that it should be a requirement by Code. It lets people know that the company is permitted. Otherwise, there is no way of verifying which company is permitted and is bad business for those who are.

8. Future Agenda Items

- Request for Relief
- Shuttle Solution
- Safety Fund Issue

9. Adjournment

Motion to adjourn: Mr. Putman

Seconded by: Mr. Diamond

Passed Unanimously

Meeting was adjourned at approximately 3:47pm. The next meeting will be on Wednesday, **September 28th, 2011 at 1:30pm.**

Minutes submitted by:

Lauren Wolfe, Regulatory Program Specialist