



# PRIVATE FOR-HIRE TRANSPORTATION BOARD OF REVIEW

## Minutes for July 25<sup>th</sup>, 2012 Board Meeting

### 1. Call to Order

Time: 12:05pm

#### Roll Call

Present: Ryan Hashagen, John Case, Kirk Foster, Steve Entler, Michael Huggins, Red Diamond, Muzafar Rasheed, Ramon Corona, Gail Bauhs, Tony Tabrizi, Veronica Rinard, Jon Putman, Al Ochoa, Kathleen Butler, Frank Dufay, Patrick Kramer, and Lauren Wolfe  
Others/Audience: The list of other attendees is available from the Revenue Bureau.

### 2. Agenda

**Motion to Accept the Agenda:** Corona

**Seconded:** Rinard

**Passed Unanimously**

\*Followed by the Executive Session with members of the Board and the City Attorneys

Time: 1:35pm

### 3. Approval of Minutes from the March 28<sup>th</sup>, 2012 Board Meeting

**Motion to Approve Minutes:** Putman

**Seconded:** Corona

Bauhs suggested a small change to the Minutes on page 8.

### 4. Company Standing Committee Reports

Case reported that during the company standing committee meeting, a pedicab representative wanted to know the timeline for separating the Pedicab section of the PFHT Code. It was conveyed by Kathleen Butler that everyone agreed that this should be done soon. The Pedicab industry is different from the other types of transportation because they are not motorized vehicles.

The second issue discussed was the taxi camera replacement funding.

### 5. Driver Standing Committee Reports

Diamond spoke about the driver standing committee meeting from May 23<sup>rd</sup> 2012. The labor Market Study was discussed and during an evaluation, they reached a point where the

proposed changes to the taxi industry seemed likely but the timeframe to meet those changes are still unknown.

Code enforcement against the illegal town cars and shuttles was also discussed.

The topic of what to expect for permitting reforms was also discussed. Many people had suggestions such as centralizing the dispatch system where the nearest available taxi would be called, along with the positives and negatives with having a medallion system.

Driver working conditions at PDX airport was talked about and many drivers agreed that the airport facilities were substandard and need improvement. Drivers have been asking for improvements at the airport with no results and many feel it is a health issue. The drivers would like to have clean facilities and a comfortable place where they can take breaks when needed.

## **6. Periodic Review: Fuel Surcharge**

Dufay spoke about the fuel surcharge and said that the Board needed to renew the surcharges as it had been awhile and they otherwise automatically expire. The Board greed to continue the surcharges as gas prices, after having dropped for awhile have gone back up. The surcharge for Taxi's was 10 cents in January 2011 and was raised an additional 10 cents in March 2011 making it a \$.20 surcharge for taxi's, which continues the current per mile rate at \$2.50. Shuttles are allowed to add \$2.00 to the \$14 fare from what was previously Fareless Square. The surcharge is supposed to be periodically reviewed and would ordinarily expire after 180 days. With gas prices continuing to remain fairly high, the Board needs to discuss the surcharge and determine what to do about it.

Butler reiterated that "the Board needs to formally review the fuel surcharge and either keep it going or discontinue it".

Hashagen asked if there were two separate fuel surcharges to vote for.

Butler replied that it would be up to the Board to decide. Right now, there is a 20 cent fuel surcharge in affect and the Board must vote on whether to keep that surcharge because the fuel prices are still high, or expire the current surcharge.

### **Motion to Continue the 20 Cent Fuel Surcharge and \$2.00 Shuttle Surcharge:**

Entler

**Seconded:** Putman

**Passed Unanimously**

## **6. Status Report: Evaluation of Taxi Permit Requests**

Butler noted that she recognizes that everyone has been anxiously waiting for the permit recommendations and that we have been working on a number of aspects to make sure that it is done right. When we conducted the study of driver working and economic conditions, and during the time when the first Union Cab request reached the Mayor, commissioners and the Revenue Bureau director, we asked some serious questions about the driver economic and working conditions. We undertook the study of the working and economic conditions for drivers in order to try to answer some of those questions. All parties charged with making recommendations and deciding whether to issue more taxi permits, want some clarification

and understanding of those issues before they decide whether or not to issue more permits to new companies. and also whether or not existing companies should get more permits as well. We have requested operating information from the companies. We have also asked the companies questions about how much they are charging drivers and what kind of contracts they have with the drivers. What became clear during the process was that we were not just going to make a recommendation about issuing more taxi permits and will also make a recommendation for what should be the specific performance standards for the taxi companies. This will allow us to update the minimum standards for companies, as well as helping to determine whether or not additional permits should be granted. The current permitting system does not adequately spell out what the performance standards are in terms of the treatment of the drivers, but also in terms of specific customer service performance standards. The Code is written in a general way and does not adequately address the measurement of company performance. The question of whether or not more permits should be issued cannot be separated from these larger issues about how the permits are distributed and how the performance of each company is measured from one year to the next. We want to consider carefully the possible consequences of any changes that we make. Whatever decision we make can greatly influence someone's livelihood, as well as affect the general public and their ability to get taxi service. Our hope is to be able to make a recommendation in September. We plan to bring forward summary documents that capture the testimonies and discussions from the workshops that occurred. We will bring forward summaries of the written commentary we have received on our website about the driver Labor Market Study. We plan to put forward a final version of the Labor Market Study that will include comments that we received from company representatives, drivers and Board members. We will refresh all statistics from the demand study from 2008 and conduct an analysis on what that data means in terms of the demand of taxis here in the City of Portland. We will also do an analysis of the potential affects of driver income for the permits that we issue. According to the Code that was passed in 2009, there are two different paths for obtaining permits. When an existing company requests additional taxicab permits, the request comes to the Board and the Board has the authority to issue additional permits. The intent of the current Code language is that if an existing company is denied a permit then they can appeal it to the City Council. For new companies requesting permits, the Board does not get to make the final decision. The PFHT program and Board would make two separate recommendations and then present them to City Council. City Council then holds a public hearing where they make the final decision. It is important to recognize that although we plan on bringing recommendations forward in September, there is going to be an additional level of review with City Council.

Enter stated that this process started over a year ago and there have been an additional number of applicants who have applied for taxi permits. Have there been any more applicants who have applied recently?

Butler answered not that we are aware of.

Sinclair, from Beau Monde Limousine said that he currently has one vehicle permitted and requested more permits. He was wondering if that was going to be on the agenda today for discussion.

Butler answered that there have been a few applications for town car permits and because the previous Demand Study made a relationship between shuttles and town car permits, we made the decision to bring all of the requests for town car and shuttle permits to the September meeting. The current number of permits is well below the moratorium so existing companies with an urgent and legitimate business need for more permits discuss this on a separate and individual basis with Regulatory staff.

Olgy, a driver for Broadway Cab asked about the difference between issuing permits to the existing companies and new companies?

Butler answered that the Board can grant already existing companies more permits, but if it is a new company, the City Council must first approve the company. The current companies have already gone through the process and have been approved by Council. Every company is granted a certain number of permits to start and if they request more permits at a later time, do not have to go through Council again for approval and the Board would make the decision alone. That decision, however, is appealable to City Council.

Neguse Fado stated this was commissioned over a year ago by the Mayor who is on his way out of office very soon. What will happen if the Mayor and Commissioners leave without finishing the process? Once the Board makes the decision and sends it to City Council for review, based on former experience, has Council always followed the City and Board's recommendations?

Dufay repeated the questions and replied that it is the intention of the Mayor and other Commissioners to complete the permitting process before January 2013.

Butler emphasized that the Mayor and Commissioners are eager to finish up the process and will hold a number of different meeting before January 2013 to make their final decision. The Council does not always agree with the Board's recommendations but they do take them into consideration most of the time.

Entler said that the Mayor asked about the allegations of cab drivers against the companies that they are affiliated with and wanted to investigate the working conditions of the drivers. How does this relate to obtaining additional permits?

Butler answered that the Mayor, Commissioners and Thomas Lannom have asked us to report on some of the allegations, but also to connect the information that we found with the recommendations. They are specifically looking for performance standards that relate to what the community expects from the taxi companies in relation to the number of permits that are given to the companies. This does not mean that the performance standards all have to do with the treatment of the drivers or working conditions. Some have to do with customer service, safety, and technology. They are looking for a comprehensive recommendation that relates the issuing of permits to the type of service and conditions that exist within the companies.

Kevin Hewett, a driver for Broadway Cab, asked if there is any established scientific methodology being used to collect empirical data concerning whether any new permits are required? Is it possible to undertake a poll such as information from the public and drivers to

help determine the need for additional permits?

Butler replied that we are looking at methodologies that have been used in the past for assessing the demand of taxis in the community. Polls are not considered to be very reliable and there is a lot of room for error. We are planning to put forward a lot of different information about what we know from the study.

Dufay added that we have been comparing our study with other major cities who have issued more permits to companies. Every city is different and can hold a different number of permits. We have been comparing charts and tables and are trying to come up with the best comparable solution that is a good fit for the City of Portland.

Diamond said that when you look at established companies you have a data stream to analyze, whether it is customer satisfaction or driver treatment. When you have companies that are not yet established, you cannot analyze performance standards. How do you purpose to reconcile potential performance standards of a company that does not yet exist?

Butler replied that some things can only be evaluated at a later time to give time to see how the particular company performs. There are things called entry standards which are specific things that need to be provided in order to enter the market. In some cities, the entry requirements are becoming increasingly important in terms of who receives permits.

Brenda Hiatt, a driver for Broadway Cab, asked "Why is the report taking so long when we were expecting it back in May?"

Butler briefly repeated what was previously mentioned and said that we are in the process of trying to put forward some recommendations. We are trying to connect the current system by which we issue permits with company performance along with also updating and improving on demand study statistics. We are comparing with practices in other cities and it takes a lot of time to research.

Ms. Hiatt replied that she understands that there are many people who are involved in this study and that there are a lot of reports. However, back when we brought this up in meetings during the months of February and March, there were a lot of meetings that were crammed into a short period of time. There was a sense of urgency about getting the meetings done at once which got half of the drivers in the City to show up. The only people who are benefiting from this are the parking meters and parking lots across the street. The cab drivers who have attended all of the meetings have lots thousands of dollars in revenue. Every time this is postponed, the drivers are losing money and all we are asking for a date that everyone can count on to be there.

Butler replied that she appreciates what Ms. Hiatt is saying and that we want nothing more than to move this process forward at a rapid pace. We are going to do everything in our power to make sure that we can bring something forward in September. Jon Putman suggested that the drivers should be coming to all the meetings.

Abdulla, a driver from Broadway Cab, asked, Why do we need to do more research about whether or not we do or do not need more permits in the City? There should already be

enough information and it should be clear.

Butler replied that we are asked to do studies about every two years, and are refreshing those numbers from previous studies.

Mohamed Komir, a driver from Broadway Cab asked, "How do you guarantee the protection of the drivers from the companies?" He said that if you or anyone else involved leaves tomorrow, they are at risk to lose their jobs. There is a rumor that the City is working with the companies and sharing information about plans for the permits.

Butler replied by saying that she will do everything she can to help the drivers and assured them that if anyone has any issue with their company, to come and speak with her about it immediately. Butler said that there are always rumors that get around no decisions about permitting have been given to any of the companies.

## **8. Staff Report: Private For-Hire Transportation Ordinances Effective August 10<sup>th</sup>, 2012**

Dufay spoke about recently making it a criminal act to operate in the City without a permit. The police are planning to tow vehicles and arrest the drivers if necessary. This is going to play a huge role in enforcement and our hope is that it will help prevent the illegal operator problem from growing in the future. The criminalization of illegal operators will go into affect on August 10<sup>th</sup> 2012. Although this should help with enforcement in the future, it has created a lot more work for us because we now have new companies coming forward trying to get permits to avoid exposure to the risk of being arrested

There are some providers such as some out of area medical transportation providers who are worried that the new rules could put them at risk for occasionally bringing their customers in and out of the City. The Regulatory Division never intended to target enforcement to the medical transportation providers, as was mentioned at previous meetings. To address this, a second ordinance was passed affirming non-contiguous medical transportation providers the right to operate within Portland without a City permit. These non-contiguous providers who wish to do so can get temporary placards that will be used as passes for them to operate in the City of Portland and assure them that they will not be hassled by enforcement.

A third ordinance that was passed had to do with decreasing the age requirement for ADA vehicles from a 15 year maximum down to a 10 year maximum age requirement. This ordinance will go into affect, January 1<sup>st</sup>, 2013.

Butler added that we plan to get together with the Portland Police Bureau to set up a towing system and discuss enforcement options. We have been warning everyone for months and will continue to warn people before the ordinance takes affect.

Bauhs asked if there was any information posted on the website for the non-contiguous providers to apply for the placards before August 10<sup>th</sup>.

Butler answered that Patrick has been given the task of creating the placards and application process for the placards and will have more information for providers before August 10<sup>th</sup>.

Craig from Super Stretch Limousine asked if unpermitted limousines will also be subject to towing after August 10<sup>th</sup>, 2012 even if the vehicles are registered in Washington.

Butler replied that unpermitted operators are subject to the new penalties. The City has the right to require permits for limousine operators in the City of Portland. If a company feels that they should be exempt from that rule then they should apply for the exemption in advance to avoid problems. There are certain requirements that must be met before qualifying for an exemption. You must prove compliance with the current jurisdiction and also meet City requirements such as insurance, business registration etc.

## **9. Staff Update: Formation of Insurance Working Group**

Patrick gave a brief report and said that we will be starting an Insurance Working Group in the next couple of months. The purpose for the group is to investigate and possibly adjust the City's insurance requirements to fit the changing insurance regulatory environment. In the group we will discuss the required language on the Certificate of Liability, the idea of having a Waiver of Subrogation, endorsement pages, and notification requirements from the insurance companies. The group is going to consist of members of the City attorney's office, PFHT Board member Al Ochoa, and any other insurance specialists who would be willing to work with us. Any findings during the meetings will be brought to the Board for discussion.

Bauhs asked if the group was planning to take a look at what the SAT companies are required to have in regard to their contacts with TriMet and other companies.

Kramer answered that the SAT companies along with all of other permitted companies will be considered and included.

Butler added that there are some issues with the current language and wording that has been brought to our attention from a few agents. We are working on formatting the language to both be comprehensive to the insurance agents as well as maintain the current requirements of the City. We may need to consider a separate insurance language requirement for SAT companies that will be consistent with other agencies like Tri-Met. Foster reiterated and said that we need to standardize the insurance requirements as much as possible. For example, one of the state medical transportation brokerages has different requirements than the other brokerages. They require companies to add a \$6,000.00 annual surcharge for having a contract with that brokerage. The variation of requirements and lack of consistency makes it very difficult for SAT companies to conduct business statewide and stay in compliance.

## **10. Clarification: Driver Training Requirements**

Dufay spoke about the Driver Training Requirements. In 2009, when the Code was rewritten, one of the main goals was to create more training for the drivers. Customer service, knowledge of the area, and safe driving practices were all considered to be essential categories for the drivers to understand. We put in place a requirement for all companies to conduct a mandatory National Traffic Safety Institute (NTSI) class for every newly hired driver over a six month span from when they received their driver permit. Our goal now is to

make sure that every driver from every company goes through the proper training to help enhance customer service, knowledge of the area and traffic laws. As soon as possible, we plan on collecting all of the NTSI certificates from the drivers and companies. The requirement of all the companies now is to submit information about who has taken the NTSI training and when and who is the NTSI trainer for the company if they have one. If the company is requiring that the driver get the training from an outside agency, we will need the information as well.

Entler pointed out that in the Code, Chapter 16:40:090 F, it says that new applicants are required to successfully complete the driver safety and customer service training within the first six months that the driver obtains the permit.

Rinard asked about if we were still planning on implementing more extensive in-house training for the driver in the near future.

Butler replied that that is a goal, but we currently do not yet have the resources to hold that type of training. Our current goal is to at least make sure that every driver has an overall understanding of their responsibilities as a driver in the City of Portland. We want to make sure that they are aware and knowledgeable about their job and the service they provide. It is concerning when drivers end up breaking the rules and tell us that they were not aware of the requirement in the first place. If we give them the training, then we can start to hold the drivers more accountable for their actions.

Teal Able, from New Rose City Cab asked if there was going to be a separate ADA required training for the drivers as well.

Butler replied that there is no current training but it is something to think about and a good suggestion.

Steve Killough from Lucky Limousine asked if the City will be providing this training and will it be included in the permitting fees that the drivers are already paying for? He said that it would be easier if the City provided the training or provide the information to get the training.

Butler answered that this training will not be designed to replace the training that companies are already requiring their drivers to complete. The training will attempt to cover the basic City requirements and will hopefully be a good addition to the training that is already being offered by the companies.

Tesfeye Aleme suggested that there be a form that is handed out to the drivers that will provide information about where to go to get the required training.

Bauhs added that University of Wisconsin offers a Passenger Assistant Class that is certified by the state. The training covers medical transportation provided by sedans and ADA vehicles. The trainee is required to instruct the driver in how to load and unload a customer in a wheelchair, securing the device, and how to move a wheelchair or mobile device up and down a curb. The certification is given upon completion of the class.

Robel from Broadway Cab said that the Post Office offers videos and training manuals about customer service.

## **11. Public Comment**

Nick, a driver for Broadway Cab asked about the vehicle age requirement and whether or not there is an exemption for vehicles that are over 10 years but are in good condition and safe to transport passengers.

Butler answered that she understands that it can be challenging during these hard economic times to replace vehicles and that it is important for many companies to try to cut costs as much as possible. In some cases we have extended the age requirement for certain vehicles that are in excellent condition and have lower miles. Most cities have or are imposing vehicle age limits that are far much shorter than our current age requirements. We may look into decreasing the age requirement to even less in the future but for the time being, if anyone has a vehicle that they find to be up to par, they have the ability to meet with us explain to us why the particular vehicle should remain on the road.

## **12. Board Member Comment**

Putman thanked the Board for pushing forward the ordinance for the 10 year age requirement for ADA vehicles. Putman also asked about the unpermitted company, Yellow Cab and what type of enforcement was being done.

Dufay answered that there is a Yellow Cab driver that was just arrested for not having insurance but there maybe other operators going by that name that we have yet to catch up with.

Putman also noted that when he recently called for an ADA vehicle, Broadway Cab was the only company that could provide the service.

Butler asked if anyone had any input about whether or not they think that there are enough ADA vehicles on the road.

Raye Miles answered that it is not a questions about whether or not there are enough ADA vehicles on the road but if they are in service at that particular time.

Hashagen brought up the issue with pedicab company competitors offering alcohol as part of the customer package. He said that his company has really stepped up the level of customer service but when he hears from a clients that a competitor is offering free champagne it is concerning.

Dufay responded that he had already contacted the OLCC who contacted the company that was advertising the offer and they have taken it down.

Steve Killough briefly talked about the foundation of the Oregon Limousine Association (OLA) which consists of all the currently permitted limousine companies in the City of Portland.

### **13. Schedule of Upcoming Meetings**

Next Board meeting will be on September 26<sup>th</sup>, 2012 at 1:30pm

### **14. Adjournment**

**Motion to Adjourn:** Putman

**Seconded by:** Hashagen

**Passed Unanimously**

Meeting was adjourned at approximately 3:30pm. The next meeting will be on Wednesday, **September 26<sup>th</sup>, 2011 at 1:30pm.**

**Minutes submitted by:**

Lauren Wolfe, Regulatory Program Specialist