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**Regular Meeting**  
**Private For-Hire Transportation Board**  
Thursday, September 19, 2013  
111 SW Columbia, 8<sup>th</sup> Floor Conference Room B  
1:30 pm – 4:00 pm

**Call to Order:** at 1:36 by Kathleen Butler

1. Introductions and Roll Call

**Roll Call**

Present: Ryan Hashagen, Steve Entler, Brenda Hiatt, John Case, Jon Putman, Patrick Kramer, Christy Keller, Kathleen Butler, Frank Dufay, Ramon Corona, Al Ochoa, Kirk Foster, Tony Tabrizi, Maher Abs, John Vater (in for Gail Bauhs), Michael Huggins

Absent: Gail Bauhs, Tamara Kennedy-Hill

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

2. Approval of July 24, 2013 Meeting Minutes

Case: Page 3 of the draft minutes from July 24<sup>th</sup>, 2013, under Great Ride Towncar it says "Ochoa sustained". This is most likely a typo, but needs to be changed to abstained.

**Motion by Entler to accept the minutes with the correction suggested by Mr. Case**

**Seconded by Putman**

**Motion passed unanimously**

3. Agenda

Frank: Could we move the public comment period to after Uber's presentation since there are a number of people that want to make public comments on it?

**Motion by Corona to move Public Comment to number 5 and Uber Proposals to number 4 on the agenda**

**Seconded by Case**

**Motion passed unanimously**

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#### 4. Uber Proposal for Code Changes

Butler: Representatives from Uber Technologies are here to talk about requested code changes. The Board will have opportunity to ask questions after the presentation.

Corey Owens: I am the head of global public policy at Uber Technologies and we are interested in serving the Portland market. We were created four years ago after our co-founders spent time in cities like Portland and noticed it was difficult to find reliable for hire transportation. They saw licensed sedan drivers in the evenings illegally picking up passengers from the street and determined there were two solvable problems.

1. There is unmet demand and unused supply, with a lack of communication between the two.
2. There are drivers of for hire vehicles who, over the course of a week, earn below the minimum wage. In many markets, this is insufficient to pay the Kitty.

Uber Technologies created software applications that connect consumers with licensed, insured for hire transportation providers. We call this service Uber Black and it works to connect passengers with drivers of executive sedans.

When a consumer requests a driver, they are connected with the closest driver to their location. They see the driver's picture, name and license. The driver can see the consumer's location using GPS technology. Uber customers have a credit card pre-loaded into the software so the payment is processed digitally. As the consumer is getting out of the vehicle, they receive an emailed receipt including an itemized breakdown of what they paid and a map of the route the driver took. The consumer is asked to rate the driver on a scale of one to five allowing Uber to identify drivers and consumers who are excelling and those who are having problems.

Uber Technologies partners with local transportation providers in more than 40 markets around the world. In the United States, we are in nearly every major city on the West Coast other than Portland. We see three barriers to entry into the Portland market for Uber Technologies.

1. The required 60 minute rule for arranging a trip with an executive sedan or a limousine. In other markets the average pre-arrangement time on the Uber platform is five minutes.
2. Executive sedans and limousines are required to charge a 35% fixed premium above the prevailing taxi rates. This drives down service to the consumer and drives up prices.
3. To qualify as an executive sedan or a limousine, Portland's code says it must be "an expensive, large vehicle". This raises costs for operation which are passed on to the consumer. Portland has been a leader in green and efficient transportation models, but large vehicles are considered to be the least fuel efficient vehicles on the market. At Uber Technologies we believe everyone wins when transportation can be cheap, efficient, reliable and safe.

Consumers get the value of fast, high quality transportation at the cheapest rate possible. Drivers choose to work with Uber Technologies because today if a driver is asked to wait an hour for a customer to get in their car and it's a half hour trip, that means 2/3 of their time was spent not earning a fare. They then have to charge higher

rates for that half hour trip just to make up for the hour long wait. What if that same driver could complete 30 trips a day at \$15 a trip? Drivers and their companies will make two to three times what they were making before Uber Technologies was allowed into the market.

If Uber Technologies is allowed to come into Portland, the City will benefit from highly utilized transportation services. Today an effective utilization rate for traditional for hire transportation is around 20%-30%. What if Uber got that up to 80% or 90%? Suddenly with the same assets, fixed resources and labor pool we can serve more people.

From an environmental perspective, if a car is spending most of its time idling and not transporting passengers, it is inefficient and dirty for the City. What if Uber could make it so that every fixed asset in the City was utilized at an incredibly high rate? What if the drivers were using fuel efficient vehicles? Suddenly transportation can be additive to Portland's green rules rather than subtractive.

Dufay: Can you explain the different levels of Uber and what you are proposing to the Board?

Owens: The core product we are proposing to launch in Portland is Uber Black. Uber Black utilizes licensed, commercially insured limousines and executive sedans. In other markets we offer additional solutions depending on regulations, consumer demand and the driver pool. Uber Lux is our luxury car provider service and Uber X is the brand we offer for lower price points. In some markets you can obtain a livery or chauffeur's license using a Toyota Prius. In that case, Uber X would be commercially licensed, commercially insured transportation utilizing a vehicle that is much cheaper to operate and in turn much cheaper for the consumer. Several markets including the State of California and the City of Seattle elected to embrace what is commonly known as Ride Share or Peer To Peer Transportation in which case a DMV licensed driver with a privately insured vehicle can offer transportation for a fare. We are not proposing any changes to the City ordinances today that would open up Portland to Peer To Peer transportation services; that is a larger and longer debate than we are prepared for today.

Butler: To clarify, today you are recommending Uber Black in Portland?

Owens: Yes. If appropriate changes could be made to the code, we would also recommend Uber X. If a driver of a Toyota Prius can obtain a commercial license and commercial insurance, the driver actually makes more money. What we would be asking for, in addition to the wait time and fare standards, is to also open up the vehicle standards so instead of being required to drive "expensive and large vehicles" to allow for smaller, more fuel efficient vehicles like the Toyota Prius.

Entler: Isn't Uber X in fact just you contracting with anybody with four wheels?

Owens: Uber X falls into two different buckets. In a number of markets it includes commercially licensed, commercially insured vehicles, but not currently permitted by the City.

Entler: Does your entry into the Portland market bring more customers into Portland?

Owens: What we have found is that the pie gets larger in cities where Uber operates. Last month the City of Seattle concluded a study where they examined the market share of various types of for hire transportation services between 2001 and 2013. The study showed the use of limousines increased 200% towards the end of 2011 when Uber Black entered the market. The study also showed the revenue from taxis in the City, as measured by trips per vehicle per day, remained constant.

Entler: Under the current regulations, a passenger is required to wait 60 minutes before entering the vehicle when requesting an executive sedan or limousine. Why can't Uber make a disclaimer alerting the customer that it would be an hour wait or simply wait to dispatch the vehicle until later knowing that Uber could be creating an illegal situation?

Owens: We could create a service where a dispatch would happen in an hour or more, but consumers don't want to wait an hour.

Entler: You have stated our regulations are antiquated, but they are only four years old. About ten years ago, a number of cab drivers were killed as a result of over saturation by town cars providing taxi-like services. We realized we had to have some sort of boundary to separate town cars, taxis, shuttles etc... Taxi cab drivers that are licensed by the city are regulated in many different ways. The Board created boundaries to separate the entities; what you are proposing is removing three basic items that separate those entities. Executive sedans and limousines would end up competing with the taxi industry, but would not be burdened with the regulatory items that taxi companies have to deal with.

Hiatt: When you referred to the study in Seattle, you said there was no discernable difference in the number of taxi rides after Uber came into the city. Do you have any information about how the taxi income changed? It appears to me the taxi drivers are being left with the short runs and Uber is taking all of the more lucrative runs such as the airport runs.

Owens: In the Seattle study, taxi revenue is what they measured. The study was commissioned by the City of Seattle and was done by Taxi Research Partners; Uber was not involved in the study. They found taxi revenue remained constant. There is no indication from any market in the country that Uber's presence takes all of the profitable trips away from taxis. A number of trips Uber creates are short runs. However, a person who lives in many parts of Portland is not going to get a taxi because taxis are not available on a regular basis in the City of Portland. These people are getting into their own cars. The study by the City of Seattle found the pie grew when Uber entered the market; people were leaving their cars at home and taking town cars to get to the doctor, to the grocery store or the airport. If we look to the data to guide public policy making, the data counsels that in a diverse city like Portland, there should be an equally diverse set of transportation options.

Huggins: The City of Seattle also had a one hour wait time regulation. Was this eliminated?

Owens: The City of Seattle and King County have their own regulations that are

distinct from the State of Washington. The City of Seattle requires pre-arranged transportation, but with no wait time. Town cars are not allowed to accept a street hail.

Huggins: Are the companies and drivers licensed with the municipality and the airport as well?

Owens: Yes. In a city where the airport has a limousine entrance fee or separate permitting process, those drivers are expected to obtain the proper permits if they are planning to serve the airport.

Huggins: Are those fees adjusted for the consumer?

Owens: We use what is called Geo Fencing. If there is an airport entrance fee, the GPS device will know that the vehicle entered the airport grounds and will add the entrance fee onto the fare. The consumer's receipt will show a breakdown of what they paid, including the airport fee.

Foster: What is the opposition to starting out going directly to the existing taxi companies? We just approved a 20% increase in the number of taxis permitted in the City. Why not try something different and work with the existing permitted companies?

Owens: Uber Technologies does partner with a number of taxi companies in a number of markets around the world. We always enter the market with Uber Black first because we know there is an unmet demand and a higher price point. We know based on studies that there is a fixed pool of consumers that are going to take taxis no matter what. What we see is that there is a big gap between the taxi price point and the \$90 executive sedan price point. Once we get in a new market, we sometimes see there is demand above that in which case we offer Uber Lux. In markets where we see that e-Hail is an unmet bit of demand, we will offer that as well. In Portland many taxi companies already use various software programs including Taxi Magic, so we think that market in Portland is fairly well served today. But, the possibility that we may serve taxis here as well is still there.

Tabrizi: Is the fare fixed, or are the drivers bidding on the fare? Will the consumer know approximately how much it will cost?

Owens: Uber does not participate in the practice of bidding. The consumer chooses the destination and Uber will estimate what the fare will be based on the time and distance required to get there. It isn't a fixed fare because the conditions of the trip can change and the consumer and the driver have transparency as to how the fare is calculated.

After a certain number of trips, Uber will have the data to know at any given day and time what route works best and the time a trip should take. This is how technology can improve transportation solutions. Today, taxis all have a phone number posted on their window that a customer can call if there is a problem. But the consumer does not have this number after they get out of the car. Uber maintains the information about the trip and is the intermediary between the passenger and the driver if the passenger has any concerns.

Butler: A lot of Board members are interested in how fares are calculated and how that

relates to your surge pricing model.

Owens: The fares are set based on market conditions; we measure it by time and distance. When there is a big rain storm and the demand for transportation goes through the roof, some drivers are reluctant to get out on the road. This creates an opposite balance of supply and demand. In a way that is transparent to the consumer, Uber implements a multiplier called surge pricing. The consumer has to click two different buttons to accept surge pricing so they understand that they will be paying a little more before they accept the ride. Also, surge pricing is noted on the receipt.

Hiatt: With the proposed Uber Black, you have mentioned there is an unmet need in the City of Portland. Where do you get your numbers from?

Owens: I get my numbers from two places. I am totally confident that there is unmet demand in the City of Portland based on these numbers.

1. From the more than 1300 people in the City of Portland who have petitioned City government for changes to these regulations. That suggests to me that there are at least 1300 people in the City of Portland who want this service.
2. We get numbers from our Uber app. Every time somebody opens up our app to see if they can order a car in the City of Portland, we know about it. Thousands of people have gotten off a plane in Portland and tried to order an Uber car.

Ochosa: Because of my insurance background, I look into what happens when something goes bad. With this model, there are two groups that can be affected if something goes wrong; the driver and the passenger. Can you go into more detail as to how the insurance is set up? I understand in California Uber has tested a policy that is supposed to cover all of the operators that are partnering with Uber in that state. How does your system go about regulating and overseeing this?

Owens: The policy we tested in California is related to ride sharing among the non-commercially licensed or insured transportation options. We carry a massive policy in the event that their insurance doesn't capture that. The State of Oregon and the City of Portland have minimums already in place when the transportation providers partner with Uber Black. We verify this by requiring any new transportation provider to come in and produce documents of licensure and insurance in person.

Huggins: What about your complaint resolution process?

Owen: Uber has local staff in all of the markets we serve. We have people who are dedicated to complaint resolution with drivers and people who are dedicated to complaint resolution with consumers. The consumer can file a complaint on our website or by replying to their emailed receipt. We can send an emailed response to a consumer in less than 24 hours. Because we capture ratings on the drivers, we can identify problems before they become serious. If a problem driver is identified, we talk to the transportation company or to the drivers themselves.

Huggins: Drivers rely heavily on tips; is that something consumers can add to the fare?

Owens: Uber Black is a tip-free environment. Drivers are currently relying on tips to pay the kitty fee and to make ends meet. As of last year, the hourly wage of a taxi driver in Portland was \$6.22. That driver needs to work 39 hours just to pay the kitty fee. With Uber Black where there is no kitty fee, tips become much less necessary. One of the greatest safety hazards for drivers is carrying a lot of cash. By eliminating the cash process, it's easier for consumers and still very profitable and safe for drivers.

Butler: What you are saying is that tips are not important in the black car market?

Owens: I'm sure some drivers build their business in part on tips, but Uber Black does not facilitate tips and our drivers have been comfortable with that.

Butler: Are you proposing you bring Uber Taxi to Portland?

Owens: No. We are only suggesting bringing Uber Black to the Portland market at this time.

Entler: You mentioned 1300 people have signed a petition. I am looking at the recent signatures and realize that most of the people who signed this petition are from other cities.

Owens: Portland is a city that is growing. The for hire transportation market in Portland actually serves a disproportionate number of people that are not from the City of Portland. People who live in the City have cars; people who arrive at the airport don't.

Hashagen: Is there any city that Uber is permitted in except for New York City? It appears you have a cease and desist order from various jurisdictions including some airports and others that have your application under review.

Owens: Uber is not required to be permitted by any jurisdiction in the United States other than in New York City. The application itself is not required to be permitted because we don't provide transportation services. Uber Black does work with licensed and permitted transportation providers. Regarding the lawsuits and cease and desist orders, every single one of them to date has been resolved in Uber's favor. I hope data from cities like Seattle demonstrates that a city like Portland can afford two kinds of transportation.

Butler: Board members might like to take into consideration public comment before making any decisions about this proposal. Since there are so many people here with public comments, I propose that we take public comment first.

## **5. Public Comment**

Dylan Boyd: I represent Tech Stars. We recently came into the Portland market. I have lived in Portland for 17 years and utilize all forms of transportation. At times, cabs have arrived late causing problems. I have used black cars, but was forced to schedule my trips a day in advance. Recently while out of town in a new city, I was able to use the Uber application to find a black car quickly and I knew the driver would be fast, safe and efficient based on the star rating. Having Uber in Portland will not

impact my use of taxicabs in the City of Portland. If I have the time to do so, I will still schedule my black car trips in advance. But, I would love the option of using Uber Black in the City of Portland if I need fast, on-demand service.

Alan Jochim: I am the CEO of Lucky Limousine and Town Car. What happens when another company like Uber comes to town who does not require their drivers to be permitted and insured? What happens if a consumer hits multiple applications on their phone and now has two or three different cars coming to pick them up? How is that going to be monitored? Who will keep track of the companies and the vehicles being used by them?

Tesfaye Aleme: I represent Green Transportation. How are you going to serve those consumers that don't have a credit card? What prevents an existing company from doing the same thing that Uber is trying to do? In my opinion, the existing permitted companies can serve the current demand. Why can't Uber apply and try to get a permitted business in the City of Portland?

Owens: In response to both of your questions:

1. There are various forms of transportation providers in the City of Portland that accept various forms of payment. People who do not have a credit card cannot use Uber's service.
2. It is currently illegal for anyone in the City of Portland to provide on-demand executive sedan service in under an hour and for less than 30% (it's 35%, did he say 30?) above the standard taxi fare. Nobody can provide the service we want to provide currently.

Kedir Wako: I am from Union Cab Company. I have been researching Uber in other cities and it appears Uber does not serve all people equally. They do not serve people with disabilities and they do not serve people with only cash. The cab drivers are not clear as to who they are working for. This sounds like discrimination.

Butler: Does Uber provide wheelchair service? Are there a percentage of handicap accessible vehicles that Uber requires?

Owens: Uber doesn't own any vehicles. If there are handicap accessible vehicles in the fleet we work with, we will make them available to the consumer. We can't dictate supply on the road since we don't own any vehicles.

Alemayehu Tesema: I have been driving in Portland for 18 years and in that time I have never had a vacation. Does Uber provide any vacation or any other benefits for the drivers?

Owens: We work with a number of for hire transportation providers where drivers have organized themselves for various benefits. Since we don't employ the drivers themselves, we can't provide the benefits because they aren't our employees.

Darin Campbell, Radio Cab Company: In regards to the Seattle Market Study, Mr. Owens stated between 2001 and 2013 there was no change in the amount of trips that taxi drivers took, but there was a 200% increase in the town car/executive sedan business. Between 2001 and 2013 there was a huge increase in taxi trips in the

Portland market. To me that indicates the executive sedans took that business from the taxicabs in the Seattle market. It has been indicated by multiple people that consumers with smart phones represent the lucrative trips. One of the arguments Uber uses is that by not accepting them into your community, you are impeding technology or the process by which people can get transportation. Today Radio Cab's application for online reservations went live on Android and it is going live on Apple soon. We have the technology to fulfill that need. In regards to the lack of availability of quality transportation, I think Mr. Owen's numbers are skewed. This is a city of protesting and signing petitions. I think that saying 1300 people signed his petition seems pretty weak for the City of Portland and is not impressive. Cities like Philadelphia, Chicago and other large cities try to model their transportation systems after ours. The entire transportation system works well together and I feel the money should stay in our economy.

Raye Miles, Broadway Cab: Tech companies like Uber like to talk about outdated regulation, monopolies, and how the taxi industry is seeking protection through regulation. This isn't about protecting the taxicab industry; it's about allowing an unregulated industry to directly compete with a heavily regulated one. Uber denies being a transportation service, but they are exactly that. They operate just like a taxicab company:

1. They contract with drivers
2. They dispatch trips on-demand
3. They collect fares
4. They pass money on to drivers

The city regulations go far beyond safety to support broader community values. The City requires taxi companies to provide service 24 hours a day, 365 days a year to anyone who requests service. The City also requires the taxi companies to run expensive, accessible fleets to provide service to people who use mobility devices. The City sets maximum taxicab prices at a level so low that some have to provide those trips below cost:

1. Uber customers agree to limit Uber's liability
2. They do not provide transportation to customers that require handicap accessible vehicles.
3. They do not make their service available to customers that don't have smart phones and credit cards.
4. They take money out of the local economy.

Uber takes the most profitable fares away from the taxicab drivers. What happens to a customer that gets used to using Uber and one day because of bad weather, surge pricing goes into effect and the fare goes up to a level that customer can't afford anymore? Uber should not be allowed to provide on-demand service in the City of Portland.

Kat Wilkes: A few years ago almost everybody on this Board was part of the re-write of the code. We spent many hours trying to make it fair for everyone. I think the City has enough transportation and I think we do it quite well. I don't want to see any changes to the code.

Jackson Cafazzo: I am the owner operator of my own Toyota Prius for the past two

years. I don't feel like deregulating will bring in more environmental cars. I know that many of the taxicab companies have a large number of hybrid vehicles.

Gary Drury: I work for Radio Cab. Mr. Owens stated people are flying into Portland and trying to log into Uber. People flying into the airport are normally needing a long distance trip, which are the most desirable fares. He also said people in the City of Portland all have cars, but he is wrong. Portland has a strong bicycle population. In fact, there is a 1500 unit apartment building going up right now with zero parking. I would like to correct what Mr. Owen's said about Portland being a car city.

### **Break – from 2:51 to 3:00**

### **Board Discussion**

The Board will now discuss Uber's proposal to eliminate the 60 minute reservation requirement and the minimum fare requirement. The large and expensive requirement for executive sedans is just a definition and is not code language, so the Board does not need to consider this as a change that is proposed by Uber.

Butler: The City has already spent time looking at whether or not Uber would need a permit to provide transportation services in Portland. According to the current code definition, Uber would need a permit in order to operate in the City of Portland. That definition has been challenged several times before at code hearings and it has held up thus far. The apps that are currently in use in Portland are being funneled through permitted companies and that is why they are able to continue here.

**Motion by Entler to put this before the company and the driver standing committees and ask them to bring the Board their recommendation at a future date.**

**Seconded by Putman**

Putman: I believe taking this to the standing committees is the best thing to do. Allowing more time before we put this to a vote is warranted in my opinion. I would like to:

1. Call cab companies in Seattle to see what kind of an impact Uber has made for them.
2. Research the facts that have been presented today to see if they are factual.

Vater: I like the idea of taking this to the standing committees so they can look into it further. It would be good to know what existing technology is already out there. I believe Green Cab and Broadway Cab are creating applications and those may be similar to the software that Uber is looking to provide.

Ochosa: I still want to discuss what happens when something goes bad. I heard many of these app companies force the customers to waive all liability to the app company. I want to find out if this is the same way that Uber operates.

Owens: The user indemnifies Uber for the use of the software. Because Uber doesn't provide transportation, we aren't liable for the transportation. We do ensure anyone who is providing transportation using the Uber platform carries more than significant

liability insurance.

Ochosa: Once the customer makes a reservation on the app, whose customer is that? Is this Uber's customer or the driver's customer?

Owens: They are the driver's customer. Uber is simply a software solution for the existing companies. With the exception of New York City which has a base requirement, no other cities have required us to be permitted.

Ochosa: I would like to review the way their indemnity agreements and insurance policies are set up. This is an out of state company taking the cream of the crop fares and then taking no responsibility if something bad happens because the consumers and the drivers each waive their right to liability or Workers' Compensation even though Uber does provide direction and control of the drivers.

Owens: Unlike a traditional taxicab company, we provide no direction or control for the drivers. Drivers who work for these companies can choose to sign on or sign off with the Uber app at any moment. We don't direct or control the driver.

Ochosa: So, you don't direct the drivers on driver training, maintenance of the vehicle, how to dress, or where and when to pick up passengers? Are you saying you have no regulation over these drivers?

Owens: There are companies that already provide these standards for their drivers. This kind of transportation already exists in Portland today. All we are trying to do is speed up the service and make it cheaper.

Butler: The motion is still on the floor. I would like to expand a little on Mr. Ochosa's question before we get back to the motion. Uber vets a driver and makes sure they are working through a permitted company. Is that correct?

Owens: Yes.

Butler: You make sure that the driver's background meets your standards and you make sure there is a proper insurance arrangement set up. You do all of those things initially?

Owens: Yes.

Butler: How do you monitor that on an ongoing basis? This is something the City of Portland Regulatory Division monitors. How do you:

1. Know the driver's insurance isn't canceled?
2. Know the company hasn't defaulted on their obligation?
3. Audit the companies and drivers on a daily or monthly basis?

Owens: I would think the City of Portland would continue to monitor this. Certain jurisdictions have required some kind of intermediary like Uber Technologies to perform a yearly check to ensure compliance. If the City is interested in establishing some additional mechanism to ensure the driver's have insurance every 12 months, that is something that we are open to doing.

Butler: My understanding of Mr. Ochoza's concern is what the City would be doing. If the City agreed with Uber that Uber is not a transportation provider, even though Uber fits the definition of transportation provider, we would be saying this particular entity that arranges transportation is exempt from the normal requirements we have for monitoring the requirements for insurance. You could be arranging a fare with someone whose insurance was canceled today. How are you going to know that?

Owens: I haven't asked you to exempt Uber from any insurance requirements or permitting requirements. You and several members of this Board have pre-judged some of the important questions here.

Butler: You say you don't need a permit to operate, right?

Owens: Our reading of that section of code is that we don't need a permit to operate. You are saying that we do.

Butler: I indicated that to Mr. Noyes from Uber about a month and a half ago. I'm trying to elaborate on the insurance issue as it is one of the core issues. One of the main reasons why the City requires everyone who arranges transportation to have a permit is so the City can monitor the status of that entities' insurance.

Owens: But you don't actually require the other apps that are operating today to have a permit themselves. They work through permitted operators, which is exactly what Uber Technology does.

Butler: So you are only going to contract with the companies and not directly with the drivers?

Owens: Yes, that is exactly right.

Hiatt: What if the company is a single driver?

Owens: If the company has a single driver and has a license, a permit and insurance with the City, then the number of drivers is irrelevant.

Tabrizi: You said you are only going to contract with the companies and not directly with the drivers. Is that true with Uber X?

Owens: For licensed and insured Uber X, in a number of cities there are partner models that are the exact same as many black car companies. Many black car companies, in cities where they can do so, have added Toyota Prius' to their fleet as a sedan option and those continue to carry a commercial permit and license. The definition of an executive sedan makes that impossible for you today. My answer to your question is Yes; We only contract with licensed and insured companies.

Kramer: Regarding insurance, I have had feedback from an insurance agent that with a 60 minute reservation, insurance companies can distinguish between a taxi service and a livery service. When you start operating on an on-demand basis, the company insurance can go up two to four times. I think that is worth discussing.

Putman: You are saying that the insurance companies differentiate between limos, taxis and town cars based on the one hour wait time?

Kramer: Yes

Butler: The rates are higher because on-demand is more risky. The reason the City distinguishes between reservation and on-demand is because the risk to the customer is higher when they don't pre-screen the person they are working with.

Dufay: Are there local Uber employees who can come to the Standing Committee meetings?

Owens: We don't have any local Uber employees yet, as we can't operate a business here. I am here today and am happy to help have productive discussions if people are open to that.

**Motion by Entler restated to have several combined company and driver standing committee meetings between now and the November Board Meeting and to come back with a recommendation for the Board  
Seconded by Putman  
The motion carries**

Raye Miles: I hope the Board will consider that the standing committees may not be able to come up with a decision in 60 days and that the Board will not push to get this done without due process.

Case: Could we make a motion to vote this company up or down today?

Butler: You can make a motion today, but it would be unusual for the Board to do that on a code change issue.

Owens: I am all for due process. It is becoming clear what the core issues are and we would be amenable to an up or down vote today.

Hiatt: I think we need to address Raye Miles' concerns that if the standing committees cannot bring a report back, in no way are we governed to make a decision in 60 days.

Butler: It is very unusual that we get a request for a code change and it's brought before the board in such a short period of time. Code changes are usually a much more lengthy process with numerous public hearings. There is a very strong concern that we have adequate time to get more information.

**Motion by Hiatt that the Board is not bound to bring a final recommendation on this proposal at the November Board Meeting  
Seconded by Entler  
Motion passed unanimously**

## 6. Discussion Item: Accessibility of Downtown Trolleys

Dufay: There is a trolley operating in Portland making about six stops throughout the City which is not wheelchair accessible. Generally trolleys are municipally run and therefore bound to ADA requirements. This trolley is being regulated by the Department of Transportation and is not regulated by the City.

Putnam: I think we should require them to offer wheelchair accessible service. Most cities have decided against having trolleys because they are not ADA equipped.

Dufay: There are wheelchair accessible trolleys out there. I don't know what authority we have to demand ADA regulations because this trolley is not municipally owned.

Hiatt: The City of Portland has no regulatory rights even though they are charging for transportation?

Butler: We have confirmed that the trolley is properly permitted with ODOT. We have been working with ODOT to sort out the regulations, but there remains language in the code that exempts buses. This is something that needs further clarification.

Vater: Are there other tour bus companies regulated by the City?

Butler: Yes. Tour companies do have to be permitted, but because of the size of this vehicle, it can be interpreted as a bus. This is something that needs further clarification in the code language.

Dufay: I have been working with the Office of Equity and their Accessibility Committee. Let me take this issue to them and see what ideas they have about this.

Butler: Dufay can look into whether there are regulations that apply to the portions of the vehicles that are sticking out as well as contact the folks in the bike community to find out if others are having the same problem. Additionally, we can also talk to them again to see if they plan to stay in business in Portland.

Ochosa: Who regulates the trolley?

Dufay: ODOT. They have their insurance on file and have met all of the regulations.

Butler: If they are stopping where they should not stop and their vehicle has pieces that are putting people at risk, there may be some other regulations that will apply to them. We have not defined the trolleys as a part of the transportation system. Dufay can help to get more clarity on that.

## **7. Staff Reports**

### **A. Enforcement Report**

There have been two high profile cases recently. We can't report too much now since there are working appeals, but we will come back to the Board when the appeals process is complete. We can say the drivers and the dispatchers need more training.

I recently spent two days with Green Transportation. I like being able to go to the cab

companies directly as they can ask questions, get answers, and I can hear from the drivers about some of their issues. I would like to do that with all of the companies.

I've received complaints from drivers about getting parking tickets citing it can be difficult to pickup and drop off passengers in the core of downtown Portland. We need to work with parking enforcement to resolve this problem if we hope to be a cab friendly city.

We continue to get complaints about a lack of service and lack of wheelchair accessible vehicles in East County. We are working on a passenger and driver bill of rights to be posted in the vehicles.

We have been to the code hearings office on several occasions and have won all of our cases. We are continuing to send out penalty letters and have sent many of the penalties to collections including some of the unpermitted taxi drivers continuing to work late at night and early in the morning. We have been working with the police to get those people arrested and their vehicles towed. We have reached an agreement with police to target illegal operators whom have outstanding issues. We have been working regularly with ODOT and plan to do some stings in Portland with them.

Greg Webber with All American Limousine: We have a huge problem with illegal limousines; they are killing our business. Customers keep giving me a quoted price from a competitor and it's always from a non-permitted company. We are not seeing a lot of change or enforcement for the limo or executive sedan industry.

Dufay: We had a strong presence during prom season and there are a number of people who are going to be receiving their penalty letters soon.

Butler: Right now, we are training three new regulatory staff members who will be doing enforcement. Frank is going to be assigning them to enforcement pieces.

Kramer: I have been out with one of the new staffers and we have penalty letters ready to go out; the process takes time.

Dufay: The folks in Salem are interested in working with us to enforce these illegal operators as well because the ones who are not permitted by the City, are also not signing up for the things they need to with them; we have a joint interest.

## **B. Permit and Moratorium Numbers**

Kramer: The Board discussed the graph showing the current moratorium numbers against the current permits issued in the categories of taxi, executive sedan and shuttle. The graphs show a steady decline in the executive sedan category. The shuttle category remains fairly even, but is slightly under the 2009 numbers. The taxi category is above the 2009 numbers.

After the last meeting, there was a question about whether the Board needs to have a long review process about each of the applications since we are below the moratorium levels. According to the moratorium numbers, a Board review of these applications is no longer necessary. However, this does not change the fact that applicants will still

be vetted and need to meet the established criteria to qualify.

In the executive sedan category, of the 147 executive sedans permitted, 36 permits are issued to companies who own limousines. Limousine companies generally use their executive sedans in a different way and are not known to have issues with on-demand service.

Entler: Why the downturn in the numbers of the executive sedans?

Butler: This is due to enforcement in that sector.

Entler: Back in 2003 when the moratorium was put in place, the thought at that time was to let each category seek it's own level. The numbers were not meant to be hard and fast numbers that could not be changed.

Butler: The Board can choose a new level. However, going through the long, formal process of having the Board vet each application is not where we want to go.

Butler: Taxi cab moratorium numbers go through the Council and that is the only time those numbers get raised. The other categories can be raised by the Board.

Hiatt: Wasn't there an issue with executive sedan companies acting as shuttles?

Butler: Tabrizi reported some executive sedan companies are purchasing vans and acting as shuttles. The definitions in our code may be outdated and those industries are blending.

Tabrizi: I think the code says luxury vans. Some of the companies have big vans that look like a limousine inside. Those are appropriate for executive sedan companies, but not the typical 12 passenger van.

Butler: In other cities, they list the make and model of each vehicle that companies are allowed to permit. That may be a way for us to approach this issue.

Entler: If a dispatching entity was to provide dispatch trips to unpermitted transportation providers to locations in Portland, is there anything in place to fine the person who dispatched that fare? What is the penalty for that?

Butler: We can fine both the dispatching entity and the driver.

Dufay: The penalty for operating without a permit is \$1500 for first offense and goes up to \$5000 for the third offense.

### **C. Driver Input for Airport Flat Rate Proposal**

Kramer: After discussing the airport flat rate proposals, the Board asked we take input from the drivers. We have a couple of meetings scheduled on the 8<sup>th</sup> floor of our building at 111 SW Columbia. The first is on Tuesday, October 8<sup>th</sup> from 2:00 to 3:30. The others are on Tuesday, October 15<sup>th</sup> from 11:00 to 12:30 and from 2:00 to 3:30. Additionally, we will plan to have additional meetings at the cab companies in order to

reach more drivers. We plan to discuss both the proposed flat rate between the airport and downtown and also a proposed minimum fare from between the airport and the airport hotels.

Butler: Feedback from drivers indicates they are in favor of the airport flat rate. We have had a few complaints stemming from drivers refusing to take fares when requesting rides to the airport hotels. In some cities, there is a minimum fare set for locations close to the airport.

Kramer: After we get input from the drivers, we plan to put together a simple survey that will be given to all drivers who are renewing in the office, as well as to drivers at the airport backfield.

#### **D. Update on the LPT Vehicle Stickers**

Kramer: The new stickers and the location of the stickers were approved by the Board and are in effect. We plan to order decals that will go on the rear of the vehicles in about a week. We will begin by placing them on the renewal vehicles that come into the office and then we will formulate a schedule for placing them on all other vehicles. We have already started placing stickers on the passenger side of the windshield.

### **8. Announcements**

Corona: I am announcing my retirement from the City of Portland and will be vacating my seat on the Board as of January 2014. I should have somebody in place to bring to the November Board Meeting who will be filling my seat.

Vater: Does the Board have any announcements about the joint inspections with the Port?

Dufay: In response to the feedback we received from various company owners and managers, we are changing direction on the Fleet Vehicle Inspection proposal. We are now having discussions with Fleet to develop an alternate proposal.

Huggins: We like the idea of one process, but we removed ourselves from that process a while ago. We perform an inspection, but it's mostly aesthetics. We don't require an ASE inspection beyond what the City requires.

Hashagen: We are going to have a pedicab industry meeting this month and will for the first time include the brew cabs. We hope to come back to the Board in November with some code revisions that will accurately reflect their entrance into the industry.

Hiatt: Where are we at with the company and driver standards, as well as the SAT vehicle standards? Is there an update?

Butler: Frank Dufay was out of the office for 2 ½ months, and it has impacted some of the projects we have been working on. SAT's, Insurance for drivers, and company performance standards are at the top of our list.

### **8. Adjourn**

**Motion to adjourn by Case**  
**Seconded by Huggins**  
**Motion passed unanimously**

The meeting was adjourned at approximately 4:25pm. The next meeting will be the third Thursday in November.

**Minutes submitted by:**  
Christine Keller, Regulatory Program Specialist